William A. (Trey) Wood III
Texas Bar No. 21916050
BRACEWELL LLP
711 Louisiana, Suite 2300
Houston, Texas 77002
Telephone: (713) 223-2300
Facsimile: (713) 221-1212
Trey.Wood@bracewelllaw.com

Jennifer Feldsher (admitted *pro hac vice*)
BRACEWELL LLP
1251 Avenue of Americas
New York, New York 10020-1104
Telephone: (212) 508-6100
Facsimile: (212) 508-6101
Jennifer.Feldsher@bracewelllaw.com

COUNSEL FOR DEBTORS AND DEBTORS IN POSSESSION

IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

In re Energy & Exploration Partners, Inc., *et al.*, Debtors.[1]	Chapter 11 Case No. 15-44931 (RFN) (Jointly Administered)

NOTICE OF FILING OF (1) DEBTORS' FIRST AMENDED JOINT PLAN OF REORGANIZATION AND (2) DEBTORS' FIRST AMENDED DISCLOSURE STATEMENT PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE

PLEASE TAKE NOTICE, that on February 10, 2016, the above-captioned debtors and debtors in possession (collectively, the "Debtors") filed the *Debtors' Joint Plan of Reorganization* [Dkt. No. 369] (the "Plan") and the related *Debtors' Disclosure Statement Pursuant to Section 1125 of the Bankruptcy Code* [Dkt. No. 376] (the "Disclosure Statement").

PLEASE TAKE FURTHER NOTICE, that on March 14, 2016, the Debtors filed the *Debtors' First Amended Joint Plan of Reorganization* [Dkt. No. 514] (the "First Amended Plan") and the *Debtors' First Amended Disclosure Statement Pursuant to Section 1125 of the Bankruptcy Code* [Dkt. No. 515] (the "First Amended Disclosure Statement").

PLEASE TAKE FURTHER NOTICE, that attached hereto as **Exhibit 1** is a blackline of the First Amended Plan against the Plan.

PLEASE TAKE FURTHER NOTICE, that attached hereto as **Exhibit 2** is a blackline of the First Amended Disclosure Statement against the Disclosure Statement.

---

[1] The Debtors in these chapter 11 cases are: Energy & Exploration Partners, Inc. (9466); Energy & Exploration Partners, LLC (8621); Energy & Exploration Partners Operating GP, LLC (4266); and Energy & Exploration Partners Operating, LP (4049). The Debtors' main corporate and mailing address for purposes of these chapter 11 cases is: Energy & Exploration Partners, 420 Throckmorton St., Suite 1200, Fort Worth, TX 76102.

Dated: March 15, 2016
Fort Worth, Texas

Respectfully Submitted,
BRACEWELL LLP

/s/ William A. (Trey) Wood III

William A. (Trey) Wood III
Texas Bar No. 21916050
711 Louisiana, Suite 2300
Houston, Texas 77002
Telephone: (713) 223-2300
Facsimile: (713) 221-1212
Trey.Wood@bracewelllaw.com

-and-

Jennifer Feldsher (admitted *pro hac vice*)
1251 Avenue of Americas
New York, New York 10020-1104
Telephone: (212) 508-6100
Facsimile: (212) 508-6101
Jennifer.Feldsher@bracewelllaw.com

Counsel for Debtors And Debtors In Possession

EXHIBIT 1

BLACKLINE OF FIRST AMENDED PLAN AGAINST PLAN

William A. (Trey) Wood III
Texas Bar No. 21916050
BRACEWELL LLP
711 Louisiana, Suite 2300
Houston, Texas 77002
Telephone: (713) 223-2300
Facsimile: (713) 221-1212
Trey.Wood@bracewelllaw.com

Jennifer Feldsher (admitted *pro hac vice*)
BRACEWELL LLP
1251 Avenue of Americas
New York, New York 10020-1104
Telephone: (212) 508-6100
Facsimile: (212) 508-6101
Jennifer.Feldsher@bracewelllaw.com

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IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

In re Energy & Exploration Partners, Inc., *et al.*, Debtors.[1]	Chapter 11 Case No. 15-44931 (RFN) (Jointly Administered)

DEBTORS' FIRST AMENDED JOINT PLAN OF REORGANIZATION

DATED: ~~February 10,~~ March 15, 2016

THIS PLAN IS BEING SUBMITTED FOR APPROVAL BY THE BANKRUPTCY COURT. THIS PLAN HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT.

[1] The Debtors in these chapter 11 cases are: Energy & Exploration Partners, Inc. (9466); Energy & Exploration Partners, LLC (8621); Energy & Exploration Partners Operating GP, LLC (4266); and Energy & Exploration Partners Operating, LP (4049). The Debtors' main corporate and mailing address for purposes of these chapter 11 cases is: Energy & Exploration Partners, 420 Throckmorton St., Suite 1200, Fort Worth, TX 76102.

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INTRODUCTION

Energy & Exploration Partners, Inc. ("ENXP") and its affiliated debtors and debtors in possession (collectively, the "Debtors"), filed for bankruptcy protection on December 7, 2015 (the "Petition Date"). The Debtors propose the following Joint Plan of Reorganization for the resolution of outstanding creditor Claims against, and Interests in, the Debtors. As evidenced by that certain RSA (as hereinafter defined), the Plan is supported by holders of approximately 93.8% of the Prepetition Secured Claims (as hereinafter defined) and holders of approximately 78.8% of the Convertible Notes Claims (as hereinafter defined). [The ~~Debtors and the RSA Creditor Parties~~Plan is also supported by the Official Committee of Unsecured Creditors, which is a fiduciary for General Unsecured Creditors (as hereinafter defined).] The Debtors are ~~the~~ proponents of this Plan within the meaning of Bankruptcy Code § 1129 (as hereinafter defined). Although proposed jointly for administrative purposes, the Plan constitutes a separate Plan for each Debtor for the resolution of outstanding Claims against and Equity Interests in each Debtor pursuant to the Bankruptcy Code. Unless otherwise indicated in a particular Class, the classification of Claims and Interests set forth in Article IV shall be deemed to apply separately with respect to each Plan proposed by each Debtor, as applicable. The Plan does not contemplate substantive consolidation of any of the Debtors. The Debtors seek to consummate the restructuring on the Effective Date of the Plan.

Reference is made to the Disclosure Statement (as hereinafter defined) for a discussion of the Debtors' history, business, property, results of operations and projections of future operations, as well as a summary and description of this Plan and certain related matters. No materials other than the Disclosure Statement, this Plan and any exhibits and schedules attached hereto or thereto or referenced herein or therein have been authorized by the Debtors for use in soliciting acceptances or rejections of this Plan.

ALL HOLDERS OF CLAIMS OR INTERESTS ARE ENCOURAGED TO READ THIS PLAN AND THE DISCLOSURE STATEMENT CAREFULLY AND IN THEIR ENTIRETY BEFORE VOTING ON THIS PLAN.

This Plan represents a compromise and settlement entered into by the Debtors and the RSA Creditor Parties pursuant to the term of the RSA, which the Debtors and RSA Creditor Parties entered into on February 10, 2016. The RSA was the result of good faith, arm's-length negotiations among holders of Prepetition Secured Claims ~~and~~, crossholders of both Prepetition Secured Claims and Convertible Notes Claims. ~~The compromise sets forth the~~ Advisors for the Debtors and the RSA Creditor Parties also negotiated with the Creditors Committee on the terms of the Plan, leading to certain enhanced recoveries for unsecured creditors than originally provided under the RSA. These compromises allowed for a distribution of value that is in the best interests of all constituents that is not likely available without the settlements embodied in the Plan. The ~~compromise represents~~compromises represent the best opportunity for the Debtors to reorganize under a chapter 11 plan as a going concern, continue their day-to-day operations substantially as currently conducted, and exit chapter 11 with a new and more manageable capital structure in this challenging commodity price environment. If the parties are unable to confirm this Plan, it is likely the Debtors would either be forced to sell their assets pursuant to section 363 of the Bankruptcy Code or convert these chapter 11 cases into chapter 7

cases—outcomes that would most certainly be value destructive when compared to the ~~compromise~~compromises set forth in the Plan.

ARTICLE I

DEFINED TERMS, RULES OF INTERPRETATION, AND COMPUTATION OF TIME

Section 1.01 Scope of Defined Terms; Rules of Construction

For purposes of this Plan, except as expressly defined elsewhere in this Plan or unless the context otherwise requires, all capitalized terms used herein shall have the meanings ascribed to them in Article I of this Plan. Any term used but not defined herein that is defined in the Bankruptcy Code or the Bankruptcy Rules, as the case may be, shall have the meaning ascribed in the Bankruptcy Code or the Bankruptcy Rules. Whenever the context requires, such terms shall include the plural as well as the singular. The masculine gender shall include the feminine, and the feminine gender shall include the masculine.

Section 1.02 Defined Terms

(1) **Ad Hoc Group of Lenders** means the Ad Hoc Group of Term Loan Lenders pursuant to the Prepetition Secured Facility.

(2) ~~(1)~~ **Administrative Expense Claim(s)** means a Claim(s) for costs and expenses of administration pursuant to Bankruptcy Code §§ 503(b), 507(a)(2), 507(b), or 1114(e)(2), including: (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estate and operating the businesses of the Debtors (such as wages, salaries, or commissions for services, and payments for goods and other services and leased premises); (b) all fees and charges assessed against the Estate pursuant to section 1930 of chapter 123 of Title 28 of the United States Code; (c) all Allowed Professional Fee Claims; (d) any Cure Costs; and (e) all Allowed Claims for compensation or expense reimbursement for making a substantial contribution in these Chapter 11 Cases pursuant to Bankruptcy Code §§ 503(b)(3), (4), and (5) approved by the Bankruptcy Court.

(3) ~~(2)~~ **Administrative Expense Claims Bar Date** has the meaning set forth in Section 2.04 of this Plan unless the Bankruptcy Court orders otherwise.

(4) ~~(3)~~ **Affiliate** has the meaning set forth in Bankruptcy Code § 101(2). For purposes of this Plan and the definition of Related Person, an Affiliate of a Person shall also include another Person controlling, controlled by or under common control with such first Person. For the purposes of this definition, "control" means, when used with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise, and the terms "controlling" and "controlled" have correlative meanings.

(5) ~~(4)~~ **Allowed** means with reference to any Claim or Interest: any Claim or Interest or any portion thereof (a) as to which no objection to allowance has been interposed on or before the latter of (i) the Claims Objection Deadline or (ii) the expiration of such other applicable period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or is listed on the Bankruptcy Schedules as liquidated, non-contingent and undisputed; (b) as to which any objection to its allowance has been settled, waived through payment or

withdrawn, as permitted herein, or denied by a Final Order; (c) as to which liability of the Debtors and the amount thereof have been determined and expressly allowed by a Final Order; (d) as to which the liability of the Debtors and the amount thereof are determined and expressly allowed by Final Order of a court of competent jurisdiction other than the Bankruptcy Court; or (e) that is expressly deemed allowed in a liquidated amount in this Plan; *provided, however*, that with respect to an Administrative Expense Claim, "Allowed Administrative Expense Claim" means an Administrative Expense Claim as to which a timely request for payment has been made in accordance with Section 2.03 of this Plan (if such written request is required) or other Administrative Expense Claim, in each case as to which the Debtors (1) have not interposed a timely objection or (2) have interposed a timely objection and such objection has been settled, waived through payment or withdrawn, as permitted herein, or denied by a Final Order: *provided, however*, that an "Allowed Claim" shall not include any Claim subject to disallowance in accordance with section 502(d) of the Bankruptcy Code.

(6) ~~(5)~~ **Assigned Avoidance Actions** means the Avoidance Actions to be transferred on the Effective Date to the ~~Litigation~~Creditor Trust as ~~agreed by the Requisite Majority Consenting Secured Lenders and the Debtors and~~ set forth in the Plan Supplement including, but not limited to, (i) Avoidance Actions related to prepayment penalties paid by the Debtors prepetition on their funded debt, (ii) Avoidance Actions related to the Fort Trinidad transaction, and (iii) all Assigned Preference Actions; *provided, however*, that no causes of action may be brought against any Released Persons, or their Related Persons.

(7) **Assigned Estate Claims** means the (i) Assigned Avoidance Actions and (ii) direct or derivative claims or causes of action against any Excluded Party, including but not limited to, for breach of fiduciary duty or aiding and abetting breach of fiduciary duty, or under and pursuant to any D&O or fiduciary insurance policies (including for bad faith) maintained by the Debtors.

(8) **Assigned Preference Actions** means all of the Estates' claims for preferential transfers not otherwise designated as excluded by the Debtors and Ad Hoc Group of Lenders in the Plan Supplement or otherwise.

(9) ~~(6)~~ **Assumption Dispute** has the meaning set forth in Section 7.02.

(10) ~~(7)~~ **Avoidance Actions** means any and all actual or potential claims or Causes of Action to avoid a transfer of property or an obligation incurred by the Debtors pursuant to any applicable section of the Bankruptcy Code, including §§ 544, 545, 547, 548, 550, 551, 553(b), and 724(a).

(11) **Backstop Commitment Letter** means that certain commitment letter, dated as of [March 18, 2016], between the Debtors and Persons party thereto as "Backstop Parties" thereunder (as may be amended, supplemented, or modified from time to time, solely in accordance with the terms thereof).

(12) **Backstop Parties** means those Holders of Prepetition Secured Claims that have entered into the Backstop Commitment Letter to backstop the Rights Offering.

(13) ~~(8)~~ **Ballot** means the document for accepting or rejecting this Plan, in the form approved by the Bankruptcy Court.

(14) ~~(9)~~ **Balloting Agent** means Prime Clerk LLC, employed and retained by the Debtors pursuant to an order of the Bankruptcy Court [Dkt. No. 149].

(15) ~~(10)~~ **Bankruptcy Code** means the Bankruptcy Reform Act of 1978, as codified in title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as in effect on the Petition Date as heretofore or hereafter amended.

(16) ~~(11)~~ **Bankruptcy Court** means the United States Bankruptcy Court for the Northern District of Texas.

(17) ~~(12)~~ **Bankruptcy Rules** means, collectively, the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended, the Federal Rules of Civil Procedure, as amended, as applicable to these Chapter 11 Cases or proceedings therein, and the Local Rules of the Bankruptcy Court, as applicable to these Chapter 11 Cases or proceedings therein, as the case may be.

(18) ~~(13)~~ **Bankruptcy Schedules** means the schedules of assets and liabilities, lists of executory contracts and unexpired leases, and related information filed by the Debtors pursuant to Bankruptcy Code § 521 and Bankruptcy Rule 1007(b), as such schedules may be amended or supplemented from time to time as permitted hereunder in accordance with Bankruptcy Rule 1009 or orders of the Bankruptcy Court.

(19) ~~(14)~~ **Bankruptcy SOFA** means the statements of financial affairs and related financial information filed by the Debtors pursuant to Bankruptcy Code § 521 and Bankruptcy Rule 1007(b), as such statements may be amended or supplemented from time to time as permitted hereunder in accordance with Bankruptcy Rule 1009 or orders of the Bankruptcy Court.

(20) ~~(15)~~ **Bar Date(s)** means the applicable date(s) designated by the Bankruptcy Court as the last date for filing Proofs of ~~Claims~~Claim in these Chapter 11 Cases.

(21) ~~(16)~~ **Bar Date Order** means that order entered February 8, 2016 setting the applicable Bar Dates for: (a) Claims that arose against the Debtors prior to the Petition Date; (b) Claims of governmental units that arose against the Debtors prior to the Petition Date; (c) Claims related to orders rejecting certain executory contracts and unexpired leases; and (d) Claims arising from amendments (if any) to the Debtors' Schedules.

(22) ~~(17)~~ **Business Day** means any day, excluding Saturdays, Sundays or "legal holidays" (as defined in Bankruptcy Rule 9006(a)), on which commercial banks are open for business in Texas.

(23) ~~(18)~~ **Cash** means legal currency of the United States of America or equivalents thereof, including bank deposits and checks.

(24) ~~(19)~~ **Cash Equivalents** means any item or asset of the Debtors readily converted to Cash, such as bank accounts, marketable securities, treasury bills, certificate of deposit, commercial paper maturing less than one year from date of issue, or other liquid investments.

(25) ~~(20)~~ **Causes of Action** means all actions, causes of action, liabilities, obligations, rights, suits, damages, judgments, remedies, demands, setoffs, defenses, recoupments, crossclaims, counterclaims, third-party claims, indemnity claims, contribution claims, or any other claims whatsoever, whether known or unknown, matured or unmatured, fixed or contingent, liquidated or unliquidated, disputed or undisputed, suspected or unsuspected, foreseen or unforeseen, direct or indirect, choate or inchoate, existing or hereafter arising, in law, equity, or otherwise, based in whole or in part upon any act or omission or other event occurring

before the Petition Date or during the course of these Chapter 11 Cases, including through the Effective Date.

(26) ~~(21)~~ **Chapter 11 Cases** means the voluntary cases that are jointly administered as case number 15-44931 (RFN) under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Northern District of Texas.

(27) ~~(22)~~ **Chesapeake Note** means the subordinated unsecured promissory note in the amount of $23.3 million, due October 8, 2018, by and between Chesapeake Exploration L.L.C. and ENXP.

(28) ~~(23)~~ **Chesapeake Note Claim** means any Claim arising from or related to the Chesapeake Note.

(29) ~~(24)~~ **Claim** means a claim, whether or not asserted or Allowed, as defined in Bankruptcy Code § 101(5).

(30) ~~(25)~~ **Claim Objection Deadline** means the first Business Day, which is at least 120 days after the Effective Date, or such later date as may be established by the Bankruptcy Court in accordance with Section 8.02(b) of this Plan.

(31) ~~(26)~~ **Class** means a category of Claims or Interests as set forth in Article III below pursuant to Bankruptcy Code § 1122.

(32) **Class A Interests** means the class A interests in the Creditor Trust to be distributed *pro rata* among Holders of Allowed General Unsecured Claims that are not Deficiency Claims.

(33) **Class B Interests** means the class B interests in the Creditor Trust to be distributed *pro rata* among Holders of Deficiency Claims.

(34) ~~(27)~~ **Collateral** means any property or interest in property of the Debtors' Estates subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law.

(35) **Committee Fee Cap** has the meaning set forth in Section 2.04(d)(iii).

(36) ~~(28)~~ **Confirmation** means entry by the Bankruptcy Court of the Confirmation Order on the docket of these Chapter 11 Cases.

(37) ~~(29)~~ **Confirmation Date** means the date on which the Confirmation Order is entered on the docket in these Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

(38) ~~(30)~~ **Confirmation Hearing** means the hearing(s) held by the Bankruptcy Court to consider Confirmation of this Plan pursuant to Bankruptcy Code § 1129, as such hearing may be continued from time to time.

(39) ~~(31)~~ **Confirmation Order** means the order entered by the Bankruptcy Court confirming this Plan pursuant to Bankruptcy Code § 1129.

(40) (32) **Consenting Noteholders** means the Noteholders that are signatories to the RSA holding approximately seventy-eight percent (78%) in principal amount outstanding of the Convertible Notes Claims.

(41) (33) **Consenting Secured Lenders** means the Prepetition Secured Lenders that are signatories to the RSA holding approximately ninety-three percent (93%) in principal amount outstanding of the Prepetition Secured Claims.

(42) (34) **Consummation** means the occurrence of the Effective Date.

(43) (35) **Convenience Claim** means a General Unsecured Claim included in a separate class of the type referred to in section 1122(b) of the Bankruptcy Code, either: (a) because such General Unsecured Claim is in an amount equal to or less than $1,000; or (b) the holder of a General Unsecured Claim in excess of $1,000 has agreed by an irrevocable written election to reduce the amount of its General Unsecured Claim to $1,000.

(44) (36) **Convertible Notes Claim** means any Claim, arising under or in connection with the debt securities issued under the Convertible Notes Indenture, including any Claims arising pursuant to section 510(b) of the Bankruptcy Code.

(45) (37) **Convertible Notes Indenture** means that certain *Indenture* dated July 22, 2014 governing certain 8.0% convertible subordinated notes due 2019, between the signatories thereto and U.S. Bank, National Association as trustee ($375,000,000 original principal amount), and all other documents and instruments relating thereto, as amended, supplemented, modified, or restated.

(46) (38) **Creditor** means any Person who holds a Claim against the Debtors.

(47) **Creditor Trust** means the trust established under Section 5.15 hereof.

(48) **Creditor Trust Agreement** means that certain agreement setting forth the terms and conditions governing the Creditor Trust, in substantially the form included in the Plan Supplement and in form and substance acceptable to the Debtors, the Creditors Committee, and the Requisite Majority Consenting Secured Lenders.

(49) **Creditor Trust Beneficiaries** means the Holders of Allowed General Unsecured Claims, each in their capacity as beneficiaries of the Creditor Trust, and their permitted assignees and transferees in accordance with the Creditor Trust Agreement.

(50) **Creditor Trust Assets** means, collectively, (a) the Assigned Estate Claims and the proceeds thereof and (b) the GUC Cash.

(51) **Creditor Trust Expenses** means all actual and necessary fees, costs, expenses and obligations reasonably incurred by or owed to the Creditor Trustee and his or her agents, employees, attorneys, advisors and other professionals in administering this Plan and the Creditor Trust.

(52) **Creditor Trustee** means the Person selected by the Creditors Committee and designated in the Creditor Trust Agreement to manage the Creditor Trust upon the Effective Date, whose identity shall be disclosed in the Plan Supplement.

(53) (39) **Creditors' Committee** means the Official Committee of Unsecured Creditors appointed in these Chapter 11 Cases.

(54) (40) **Cure Costs** means all costs required of the Debtors to cure any and all monetary defaults including pecuniary losses, pursuant to Bankruptcy Code § 365, arising under any executory contract and unexpired lease to be assumed by the Debtors and vested in the Reorganized Debtors.

(55) (41) **Debtors** means, collectively, ENXP, ENXP LLC, Energy & Exploration Partners Operating GP, LLC, and Energy & Exploration Partners Operating, LP.

(56) **Deficiency Claims** means the aggregate amount of claims of the Prepetition Secured Lenders under the Prepetition Secured Facility less the aggregate amount of Prepetition Secured Claims.

(57) (42) **Definitive Documentation** means the definitive documents and agreements governing the Restructuring Transactions, including, but not limited to, every order entered by the Bankruptcy Court, and every pleading, motion, proposed order, or document filed by the Debtors at any point prior to termination of the RSA related to the Restructuring Transactions.

(58) (43) **DIP Facility** means that certain $40 million debtor in possession financing facility, dated February 2, 2016, approved by the DIP Order, as amended, supplemented and restated.

(59) (44) **DIP Facility Claim** means any Claim derived from, based upon, relating to or arising from the DIP Facility, including interest and fees.

(60) (45) **DIP Lenders** means the lenders party to the DIP Facility.

(61) (46) **DIP Order** means that certain order of the Bankruptcy Court dated January 29, 2016 [Dkt. No. 305], approving the DIP Facility.

(62) (47) **Disallowed** means all or such part of a Claim (i) that is disallowed by a Final Order of the Bankruptcy Court or other court of competent jurisdiction or (ii) proof of which was required to be filed but as to which a Proof of Claim was not timely or properly filed; unless Allowed by the Final Order of the Bankruptcy Court or other court of competent jurisdiction.

(63) (48) **Disbursing Agent** means the Reorganized Debtors or the Entity or Entities selected by the Debtors or Reorganized Debtors to make or facilitate distributions pursuant to the Plan.; *provided, however*, with respect to General Unsecured Claims, the Creditor Trustee or any entity selected by the Creditor Trustee shall be the Disbursing Agent for the Creditor Trust.

(64) (49) **Disclosure Statement** means the *Disclosure Statement Pursuant to Section 1125 of the Bankruptcy Code* dated as of February 10, 2016, as the same may be amended, modified or supplemented from time to time, including all exhibits and schedules thereto, that is prepared and distributed in accordance with the Bankruptcy Code, the Bankruptcy Rules, and any other applicable law.

(65) (50) **Disputed** means, in reference to a Claim, any Claim or Interest not otherwise Allowed or Disallowed pursuant to this Plan or an order of the Bankruptcy Court (a) which has been Scheduled, or hereafter is listed on the Bankruptcy Schedules as unliquidated, contingent, or disputed, and which has not been resolved by written agreement of the parties; (b) proof of which was timely and properly filed and which has been or hereafter is listed on the Bankruptcy Schedules as unliquidated, disputed, or contingent; (c) that is disputed in accordance with the provisions of this Plan; or (d) as to which the Debtors or Reorganized Debtors, as applicable, have interposed a timely objection in accordance with the Bankruptcy Code, the Bankruptcy

Rules, and any orders of the Bankruptcy Court, or is otherwise disputed by the Debtors or Reorganized Debtors, as applicable in accordance with applicable law, which objection or dispute has not been withdrawn or determined by a Final Order; *provided, however*, that for purposes of determining whether a particular Claim is a Disputed Claim before the expiration of any period of limitation fixed for the interposition by the Debtors or Reorganized Debtors of objections to the allowance of Claims, any Claim that is not an Allowed Claim shall be deemed Disputed.

(66) ~~(51)~~ **Distribution Date** means the date(s), occurring as soon as practicable after the Effective Date, upon which distributions are made pursuant to the terms of this Plan to Holders of Allowed Administrative Expense Claims, DIP Facility Claims, Priority Tax Claims and other Allowed Claims in Class 1 (Other Priority Claims), Class 2 (Other Secured Claims) Class 3 (Prepetition Secured Claims), Class 4 (Convertible Notes Claims), Class 5 (General Unsecured Claims) and Class 6 (Convenience Claims); *provided, however*, that should such Allowed Claims be paid in the ordinary course of business, the Distribution Date shall be the date such Allowed Claim becomes payable under the terms of any contract or agreement or applicable non-bankruptcy law.

(67) ~~(52)~~ **Distribution Record Date** means the record date which is set forth in Section 6.11 of this Plan.

(68) ~~(53)~~ **Effective Date** means the first Business Day on which all conditions precedent set forth in Section 9.02 of this Plan have been satisfied or waived as permitted hereunder.

(69) **Effective Date Funding Amount** has the meaning set forth in Section 5.08(2).

(70) **Election Form** means the form that a Holder of Prepetition Secured Claims shall complete by the Subscription Deadline to elect to participate in the Rights Offering.

(71) ~~(54)~~ **Entity** has the meaning set forth in Bankruptcy Code § 101(15).

(72) ~~(55)~~ **ENXP** means Energy & Exploration Partners, Inc.

(73) ~~(56)~~ **ENXP Common Stock** means the authorized, issued and outstanding shares of common stock of ENXP as of the Petition Date, and any options, warrants, or rights, contractual or otherwise, to acquire any shares of such stock.

(74) ~~(57)~~ **ENXP Group** means (i) the affiliated group of corporations, within the meaning of section 1504 of the Tax Code, of which ENXP is the common parent and (ii) any other group of corporations filing consolidated, combined or unitary tax returns for state or local tax purposes of which ENXP is the common parent.

(75) ~~(58)~~ **ENXP LLC** means Energy & Exploration Partners, LLC, which for U.S. federal income tax purposes is taxable as a corporation.

(76) ~~(59)~~ **Estates** means, collectively, the estates created for the Debtors in their Chapter 11 Cases pursuant to Bankruptcy Code § 541.

(77) ~~(60)~~ **Exchange Act** means the Securities Exchange Act of 1934, as amended.

(78) ~~(61)~~ **Excluded Party and collectively, Excluded Parties** means any former employees, officers or directors of the Debtors who were not employed by the Debtors as of the

Petition Date or during the Chapter 11 Cases, any professionals, representatives, or similar Persons who were not retained or working with the Debtors as of the Petition Date or during the Chapter 11 Cases, Apollo Investment Corporation and its Related Funds, and the Debtors' insurance carriers in respect of any obligations in connection with actions filed against the Debtors and their current and former officers and directors, if any, or otherwise as required under the relevant insurance policies.

(79) ~~(62)~~ **Exhibit** means an exhibit annexed either to this Plan, the Plan Documents, or the Disclosure Statement or filed as part of the Plan Supplement.

(80) ~~(63)~~ **Exit Facility** means that certain ~~financing arrangement to be entered into by Reorganized ENXP on the Effective Date, which shall be in form and substance acceptable~~delayed-draw term loan in the amount of $90 million ($65 million of which is expected to be funded upon the Effective Date) to be provided to the Reorganized Debtors ~~and the Requisite Consenting Lenders~~.

(81) ~~(64)~~ **Exit Facility Documentation** means, collectively, the Exit Facility and each other agreement, security agreement, pledge agreement, collateral assignment, mortgage, control agreement, guarantee, certificate, document or instrument executed and/or delivered in connection with the foregoing, whether or not specifically mentioned herein or therein, as the same may be modified, supplemented or replaced from time to time, and which shall be in form and substance consistent with the RSA and otherwise satisfactory to the Debtors and the Requisite Supermajority Consenting Secured Lenders.

(82) ~~(65)~~ **Exit Facility Lender** means any lenders party to the Exit Facility on the Effective Date.

(83) ~~(66)~~ **Final Order** means an order or judgment of a court of competent jurisdiction that has been entered on the docket maintained by the clerk of such court, which has not been reversed, vacated or stayed and as to which (a) the time to appeal, petition for certiorari, or move for a new trial, reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for a new trial, reargument or rehearing shall then be pending, or (b) if an appeal, writ of certiorari, new trial, reargument or rehearing thereof has been sought, such order or judgment shall have been affirmed by the highest court to which such order was appealed, or certiorari shall have been denied, or a new trial, reargument or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for certiorari or move for a new trial, reargument or rehearing shall have expired, or (c) as to which an appeal, writ of certiorari, motion for re-argument or rehearing has been filed or sought and such order shall not have been stayed *provided, however*, that no order or judgment shall fail to be a "Final Order" solely because of the possibility that a motion pursuant to section 502(j) or 1144 of the Bankruptcy Code or under Rule 60 of the Federal Rules of Civil Procedure or Bankruptcy Rule 9024 has been or may be filed with respect to such order or judgment.~~(67)~~

(84) ~~(68)~~ **General Unsecured Claim** means any Claim that is not an Administrative Expense Claim, 503(b)(9) Claim, Priority Tax Claim, Other Priority Claim, Other Secured Claim, Prepetition Secured Claim, Convertible Notes Claim, or Intercompany Claim; for the avoidance of doubt, General Unsecured Claims include any deficiency claims of the Prepetition Secured Lenders, the Chesapeake Note Claim against ENXP and Junior Statutory Lien Claims against a Debtor.

(85) **Group Tax Returns** has the meaning set forth in Section 5.28.

(86) **GUC Cash** means $2,250,000 to be transferred by the Debtors to the Creditor Trust on the Effective Date which shall be utilized by the Creditor Trustee to (a) administer the Creditor Trust Assets for the benefit of Holders of Allowed General Unsecured Claims and pay all Creditor Trust Expenses; and (b) to fund distributions to Holders of Class A Interests.

(87) (69) **Holder** means the beneficial holder of any Claim or Interest.

(88) (70) **Impaired** means, when used with reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of Bankruptcy Code § 1124.

(89) **Indenture Trustee** means US National Bank Association, or any successor thereto, as trustee under the Convertible Notes Indenture.

(90) **Indenture Trustee Charging Lien** means any Lien or other priority in payment to which the Indenture Trustee is entitled, pursuant to the Convertible Notes Indenture, against distributions to be made to the Holders of Convertible Notes Claims, for payment of any Indenture Trustee Fees.

(91) **Indenture Trustee Fees** means the reasonable compensation, fees, expenses, disbursements and claims for indemnity, subrogation, and contribution including, without limitation, attorneys' fees, financial advisors' fees, agents' fees, expenses and disbursements, incurred by or owed to the Indenture Trustee, whether prior to or after the Petition Date, and whether prior to or after the consummation of the Plan, under the Indenture.

(92) (71) **Initial Request** has the meaning set forth in Section 6.06.5.27.

(93) (72) **Intercompany Claim** means any Claim by a Debtor against another Debtor.

(94) (73) **Intercompany Interest** means any Interest held by any Debtor in any other Debtor.

(95) (74) **Interest(s)** means the interest of any holder of equity securities in the Debtors represented by any issued and outstanding common stock or interests, preferred stock or interests, or other instrument evidencing a present ownership interest in the Debtors before the Effective Date (including before the Petition Date), whether or not transferable, any restricted stock units, calls, rights, puts, awards, commitments, repurchase rights, unvested or unexercised options, warrants, unvested common interests, unvested preferred interests or any other agreements of any character related to the common stock or preferred stock interests of the Debtors, obligating the Debtors to issue, transfer, purchase, redeem, or sell any interests or other equity securities, any rights under any equity incentive plans, voting agreements and registration rights agreements regarding equity securities of the Debtors, any claims arising from the rescission of a purchase, sale or other acquisition of any outstanding common stock interests or preferred stock interests or other equity securities (or any right, claim, or interest in and to any common stock interests, preferred stock interests or other equity securities) of the Debtors, any claims for the payment of any distributions with respect to any common stock or preferred stock interests of the Debtors, and any claims for damages or any other relief arising from the purchase, sale, or other acquisition of the Debtors' outstanding common stock interests, preferred stock interests or other equity securities, however evidenced, including, without limitation, the ENXP Common Stock and any warrants for Preferred Stock.

(96) (75) **Interim DIP Order** means that certain order of the Bankruptcy Court dated December 10, 2015 [DDkt.I No. 72, as amended by DDkt.I No. 74], approving the interim DIP facility.

(97) ~~(76)~~ **Junior Statutory Lien** means any statutory Lien (including, without limitation, mechanic's and materialman's liens and mineral liens) against the Debtors' property that has been perfected (a) under section 546 of the Bankruptcy Code or (b) prior to the Petition Date, under applicable non-bankruptcy law, other than a Senior Statutory Lien.

(98) ~~(77)~~ **Junior Statutory Lien Claim** means any Claim secured by a Junior Statutory Lien.

(99) ~~(78)~~ **Lien** means a charge against or interest in property to secure payment of a debt or performance of an obligation.

~~(79) **Litigation Trust** means the trust established under Section 5.15 hereof.~~

~~(80) **Litigation Trust Agreement** means that certain agreement setting forth the terms and conditions governing the Litigation Trust, in substantially the form included in the Plan Supplement and in form and substance acceptable to the Debtors, the Requisite Majority Consenting Secured Lenders and the Creditors Committee.~~

~~(81) **Litigation Trust Beneficiaries** means the Holders of Allowed General Unsecured Claims, each in their capacity as beneficiaries of the Litigation Trust, and their permitted assignees and transferees in accordance with the Litigation Trust Agreement.~~

~~(82) **Litigation Trust Disputed Claims Reserve** means the portion of the assets of the Liquidating Trust held or reserved by the Liquidating Trustee on account of or in respect of Disputed General Unsecured Claims pending the allowance or disallowance of such Claims.~~

~~(83) **Litigation Trustee** means the person(s) designated in the Litigation Trust Agreement to manage the Litigation Trust.~~

(100) ~~(84)~~ **Management Incentive Plan** has the meaning set forth in Section ~~5.20.~~5.21.

(101) ~~(85)~~ **New Common ~~Shares~~Interests** means membership interests in Reorganized ENXP LLC.

(102) ~~(86)~~ **New Shareholders Agreement** means that certain shareholders' agreement that will govern matters related to the governance of the Reorganized Debtors, a draft of which shall be included in the Plan Supplement and which shall be in form and substance satisfactory to the Requisite Supermajority Consenting Secured Lenders, in consultation with the Debtors.

(103) ~~(87)~~ **New Term Loan** means that certain $~~125~~40 million new secured term loan on terms to be determined by the Requisite Consenting Lenders, in consultation with the Debtors.

(104) ~~(88)~~ **New Term Loan Documentation** means, collectively, the New Term Loan and each other agreement, security agreement, pledge agreement, collateral assignment, mortgage, control agreement, guarantee, certificate, document or instrument executed and/or delivered in connection with the foregoing, whether or not specifically mentioned herein or therein, as the same may be modified, supplemented or replaced from time to time, and which shall be in form and substance consistent with the RSA and otherwise satisfactory to the Debtors and Requisite Consenting Lenders.

(105) ~~(89)~~ **Noteholders** means the Holders of the Convertible Notes Claims.

(106) ~~(90)~~ **Noteholder Warrants** has the meaning set forth in Section 4.04.

(107) ~~(91)~~ **Organizational Documents** means the new company governance documents related to the Reorganized Debtors, including, but not limited to, articles of organization, limited liability company agreements, operating agreements, the New Shareholders Agreement, or other organizational documents, which shall be consistent with the provisions of this Plan, the RSA and the Bankruptcy Code, and shall include, among other things (and only to the extent required by section 1123(a)(6) of the Bankruptcy Code), provisions prohibiting the issuance of non-voting equity securities. The Organizational Documents shall be in form and substance acceptable to the Requisite Majority Consenting Secured Lenders, in consultation with the Debtors, and in substantially the form included in the Plan Supplement.

(108) ~~(92)~~ **Other Priority Claim** means any Claim other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in payment as specified in Bankruptcy Code § 507(a).

(109) ~~(93)~~ **Other Secured Claim** means any Secured Claim against the Debtors other than the DIP Facility Claims, that is secured by a Lien senior to the Liens under the Prepetition Secured Facility, including, without limitation, Senior Statutory Lien Claims.

(110) **Participant** means each Holder of Prepetition Secured Claims that is participating in the Rights Offering.

(111) **Per Interest Price** has the meaning set forth in Section 5.08(2).

(112) ~~(94)~~ **Person** means an individual, corporation, general or limited partnership, limited liability company, trust, liquidating trust, incorporated or unincorporated association, joint venture, joint stock company, government (or an agency or political subdivision thereof) or other entity of any kind.

(113) ~~(95)~~ **Petition Date** means December 7, 2015, the date on which the Debtors filed their voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

(114) ~~(96)~~ **Plan** means this *Plan of Reorganization*, including any Exhibits and all supplements, appendices and schedules thereto, either in its present form or as the same may be altered, amended, modified or supplemented from time to time as permitted herein and in accordance with the provisions of the Bankruptcy Code and the terms hereof.

(115) ~~(97)~~ **Plan Distribution** means the payment or distribution under this Plan of Cash, assets, securities or instruments evidencing an obligation under this Plan or other property of any nature to any Holder of an Allowed Claim.

(116) ~~(98)~~ **Plan Documents** means all documents, forms, lists and agreements contemplated under this Plan (including, but not limited to the Plan Supplement) to effectuate the terms and conditions hereof.

(117) ~~(99)~~ **Plan Supplement** means any supplement to this Plan, and the compilation of Plan Documents and forms of documents and Exhibits to this Plan, as amended, modified or supplemented from time to time, to be filed by the Debtors as permitted herein on or before the Plan Supplement Filing Date, in form and substance satisfactory to the Requisite Consenting Lenders, except as otherwise provided herein.

(118) ~~(100)~~ **Plan Supplement Filing Date** means the date not later than fourteen (14) days before the Voting Deadline, which date may be modified by agreement between the Debtors and the Requisite Majority Consenting Secured Lenders.

(119) ~~(101)~~ **Post-Petition Interest** means simple interest per annum at the Federal Judgment Rate, based on a three hundred sixty (360)-day year for the period from the Petition Date to, but excluding, the Effective Date.

(120) ~~(102)~~ **Preferred Stock** means any preferred stock issued by ENXP, including the Series A Preferred Shares and Series B Preferred Shares.

(121) ~~(103)~~ **Prepetition Secured Facility** means that certain *Senior Term Loan Agreement*, dated as of July 22, 2014 by and among ENXP LLC, certain Debtors as guarantors, the Prepetition Secured Lenders and Credit Suisse AG Cayman Islands Branch as administrative and collateral agent, and all other documents and instruments relating thereto, including any guaranties, pledge agreements, or security agreements, as amended, supplemented, modified or restated.

(122) ~~(104)~~ **Prepetition Secured Claim** means a Claim of any Prepetition Secured Lender (i) arising under or in connection with the Prepetition Secured Facility and all documents relating thereto, or arising under or in connection with any guaranty of the obligations under the Prepetition Secured Facility or (ii) constituting a priority claim under or in connection with the adequate protection provisions under the DIP Order.

(123) ~~(105)~~ **Prepetition Secured Lenders** means the lenders party to the Prepetition Secured Facility.

(124) ~~(106)~~ **Priority Tax Claim** means a Claim that is entitled to priority pursuant to Bankruptcy Code § 507(a)(8).

(125) **Privilege** means all attorney-client privileges, work product protections and other immunities or protections from disclosure held by the Debtors.

(126) ~~(107)~~ **Professional** means any professional (a) employed in these Chapter 11 Cases pursuant to Bankruptcy Code §§ 327, 328 or 1103 and to be compensated for services rendered pursuant to Bankruptcy Code §§ 327, 328, 329, 330 or 331 or (b) seeking compensation and reimbursement pursuant to Bankruptcy Code § 503(b)(4).

(127) ~~(108)~~ **Professional Fee Claim** means a Claim of a Professional for compensation or reimbursement of expenses relating to services after the Petition Date through the Effective Date.

(128) ~~(109)~~ **Proof of Claim** means the proof of claim that must be filed by a Holder of a Claim by the date(s) designated by the Bankruptcy Court as the Bar Date.

~~(110) **Proposed Equity Contribution** means any rights offering or other arrangement to contribute additional equity capital to the Reorganized Debtors on the Effective Date.~~

(129) ~~(111)~~ **Reinstated** means, with respect to Claims and Interests, the treatment provided for in § 1124 of the Bankruptcy Code.

(130) **Related Funds** means, with respect to any Consenting Secured Lender, Consenting Noteholder, or DIP Lender that is a fund or commingled investment vehicle that

invests in bank loans, any other fund that invests in bank loans and is managed or advised by the same investment advisor as such Consenting Secured Lender, Consenting Noteholder, or DIP Lender or by an Affiliate of such investment advisor.

(131) ~~(112)~~ **Related Persons** means, with respect to any Person, such Person's predecessors, successors and assigns (whether by operation of law or otherwise) and their respective present and former Affiliates and Related Funds, and each of their respective current and former members, partners, equity-holders, officers, directors, employees, managers, shareholders, partners, financial advisors, attorneys, accountants, investment bankers, consultants, agents and professionals, each acting in such capacity, and any Person claiming by or through any of them (including their respective officers, directors, managers, shareholders, partners, employees, members and professionals); provided, that the Related Person shall not include any Excluded Party.

(132) ~~(113)~~ **Released Persons** means the Debtors, Reorganized Debtors, Consenting Secured Lenders, the Consenting Noteholders, the DIP Lenders, the Creditors Committee and its respective members in their capacity as such, and any of their Related Persons (each solely in its capacity as such); provided, that the Released Persons shall not include any Excluded Party.

(133) ~~(114)~~ **Reorganized Debtors** means the Debtors from and after the Effective Date.

(134) **Requisite Backstop Parties** means the holders of a majority of the commitments under the Backstop Commitment Letter.

(135) ~~(115)~~ **Requisite Consenting Lenders** means (a) with respect to all terms and provisions of the RSA and/or the Definitive Documentation other than those described in (b), the Requisite Majority Consenting Secured Lenders; (b) with respect to provisions of the RSA and/or the Definitive Documentation related to (i) the debt capital structure of the Reorganized Debtors upon the Effective Date, including the terms of any Exit Facility or the New Term Loan, other than the amount of the New Term Loan; (ii~~) any Proposed Equity Contribution; (iii~~) the composition, compensation, and other employment terms of the management of the Reorganized Debtors; (~~iv~~iii) the composition of the board of directors of the Reorganized Debtors; (~~v~~iv) the Organizational Documents of the Reorganized Debtors; or (~~vi~~v) the Noteholder Warrants, other than the percentage of equity of the Reorganized Debtors distributable pursuant to such Noteholder Warrants, the equity value at which such Noteholder Warrants are struck, or the expiration date of such Noteholder Warrants, the Requisite Supermajority Consenting Secured Lenders.

(136) ~~(116)~~ **Requisite Consenting Noteholders** means the Consenting Noteholders holding a majority of the Convertible Notes Claims held in the aggregate by the Consenting Noteholders as of the RSA Effective Date.

(137) ~~(117)~~ **Requisite Majority Consenting Secured Lenders** means the Consenting Secured Lenders holding a majority of the Prepetition Secured Claims held in the aggregate by the Consenting Secured Lenders as of the RSA Effective Date.

(138) ~~(118)~~ **Requisite Supermajority Consenting Secured Lenders** means (i) the Consenting Secured Lenders holding two-thirds (66.67%) of the Prepetition Secured Claims held in the aggregate by the Consenting Secured Lenders as of the RSA Effective Date and (ii) at least three of (A) Ares Management, LLC, (B) Highbridge Principal Strategies, LLC, (C) Sankaty Advisors, LLC, and (D) GoldenTree Asset Management, LP, or as otherwise required under the provisions of Section 5 of the RSA.

(139) (119) **Restructuring Transactions** means one or more transactions pursuant to section 1123(a)(5)(D) of the Bankruptcy Code to occur on or before the Effective Date or as soon as reasonably practicable thereafter, that may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate this Plan, as further described in Section 5.07 of this Plan.

(140) **Rights** means the non-transferable, non-certificated rights distributed to Participants to purchase Rights Offering Interests in connection with the Rights Offering, the Plan and the Rights Offering Procedures.

(141) **Rights Offering** means the offering of Rights to Participants to fund the Exit Facility and purchase, as of the Effective Date, the *pro rata* share of 80% of the New Common Interests at the Per Interest Price, all in accordance with the terms of this Plan, the Backstop Commitment Letter, the Rights Offering Procedures, and the Exit Facility Documentation.

(142) **Rights Offering Procedures** means the procedures for conducting the Rights Offering, including the exhibits and annexes thereto, [annexed hereto as **Exhibit A**], and all amendments, supplements, changes, and modifications thereto, all of which must be satisfactory to the Debtors and the Requisite Consenting Lenders.

(143) **Rights Offering Proceeds** means gross cash proceeds to be provided to the Reorganized Debtors from the Rights Offering of $90 million.

(144) **Rights Offering Interests** means, with respect to each Participant participating in the Rights Offering, a *pro rata* share of (a) the Exit Facility and (b) 80% of the New Common Interests, subject to dilution from the Management Incentive Plan and conversion of the Noteholder Warrants.

(145) (120) **RSA** means that certain Restructuring Support Agreement dated February 9, 2016, between the RSA Creditor Parties and the Debtors, which incorporates by reference that certain plan term sheet among the Debtors and the RSA Creditor Parties, as may be amended, supplemented or modified from time to time.

(146) (121) **RSA Creditor Parties** means, collectively, the Consenting Secured Lenders and the Consenting Noteholders.

(147) (122) **RSA Effective Date** means February 9, 2016.

(148) (123) **Scheduled** means, with respect to any Claim or Interest, the status and amount, if any, of such Claim or Interest as set forth in the Bankruptcy Schedules.

(149) (124) **Secured** means, when referring to a Claim: (a) secured by a Lien on property in which the Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to Bankruptcy Code § 553, to the extent of the value of the Creditor's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to Bankruptcy Code § 506(a); or (b) Allowed pursuant to this Plan as a Secured Claim.

(150) (125) **Securities Act** means the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa, as now in effect or hereafter amended.

(151) ~~(126)~~ **Senior Statutory Lien** means any statutory Lien (including mechanic's and materialman's liens and mineral liens) against the Debtors' property that has been perfected (a) under section 546 of the Bankruptcy Code or (b) prior to the Petition Date, under applicable non-bankruptcy law, in each case that is determined by Final Order to be senior to the Liens securing the Prepetition Secured Facility.

(152) ~~(127)~~ **Senior Statutory Lien Claim** means any Claim secured by a Senior Statutory Lien.

(153) **Subscription Agent** means Prime Clerk LLC.

(154) **Subscription Deadline** means the date by which a Holder of Prepetition Secured Claims must deliver an Election Form by which it will choose to participate in the Rights Offering as set forth in the order of the Bankruptcy Court approving the instructions and procedures relating to the solicitation of votes with respect to this Plan.

(155) ~~(128)~~ **Supermajority Matters** means those matters specified in Section 4(b) of the RSA as being subject to the Requisite Supermajority Consenting Secured Lenders' review or consent, as applicable.

(156) ~~(129)~~ **Unclaimed Property** has the meaning set forth in Section 6.03 of this Plan.

(157) ~~(130)~~ **Unimpaired** means a Claim or Interest that is not Impaired.

(158) ~~(131)~~ **Voting Deadline** means the date by which a Creditor must deliver a Ballot to accept or reject this Plan as set forth in the order of the Bankruptcy Court approving the instructions and procedures relating to the solicitation of votes with respect to this Plan.

Section 1.03 Rules of Interpretation

For purposes of this Plan, (i) except as provided in Article X, any reference in this Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions, means that such document shall be substantially in such form or substantially on such terms and conditions; (ii) except as provided in Article X, any reference in this Plan to an existing document or exhibit filed or to be filed with the Bankruptcy Court, means such document or exhibit as it may have been or may be amended, modified, or supplemented as permitted herein; (iii) unless otherwise specified, all references in this Plan to Sections, Articles, Schedules, and Exhibits are references to Sections, Articles, Schedules, and Exhibits of or to this Plan; (iv) the words "herein," "hereto," and "hereof" refer to this Plan in its entirety rather than to a particular portion of this Plan; (v) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan; and (vi) the rules of construction set forth in Bankruptcy Code § 102 and in the Bankruptcy Rules shall apply.

Section 1.04 Computation of Time

In computing any period of time prescribed or allowed by this Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

Section 1.05 Reference to Monetary Figures

All references in this Plan to monetary figures shall refer to legal currency of the United States of America, unless otherwise expressly provided.

Section 1.06 Reference to the Debtors or the Reorganized Debtors

Except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the Debtors or to the Reorganized Debtors shall mean the Debtors and the Reorganized Debtors, as applicable, to the extent the context requires.

Section 1.07 Exhibits and Plan Supplement

All Exhibits, all Plan Documents, as well as the Plan Supplement, are incorporated into and are a part of this Plan as if set forth in full herein, and, to the extent not annexed hereto, such Exhibits and Plan Supplement shall be timely filed with the Clerk of the Bankruptcy Court on or before the Plan Supplement Filing Date. Holders of Claims and Interests may obtain a copy of the filed Exhibits and the Plan Supplement upon written request to the Debtors' counsel. Upon their filing, the Exhibits and the Plan Supplement may be inspected in the office of the clerk of the Bankruptcy Court or at the Bankruptcy Court's website at ~~http://www.nysb.uscourts.gov/~~http://www.txnb.uscourts.gov or at the Balloting Agent's website for this Case at ~~https://cases.primeclerk.com/enxp~~https://cases.primeclerk.com/ENXP. The documents contained in the Exhibits and Plan Supplement shall be in form and substance satisfactory to the Requisite Consenting Lenders, except as otherwise provided herein, and shall be approved by the Bankruptcy Court pursuant to the Confirmation Order. The Debtors explicitly reserve the right to modify or make additions to or subtractions from any Exhibit to this Plan or the Plan Supplement and to amend, modify or supplement any Exhibit to this Plan before the Confirmation Date, subject to the terms of the RSA, as amended by the settlement with the Creditors Committee.

Section 1.08 Deemed Acts

Whenever an act or event is expressed under this Plan to have been deemed done or to have occurred, it shall be deemed to have been done or to have occurred without any further act by any party, by virtue of this Plan and the Confirmation Order.

ARTICLE II

UNCLASSIFIED CLAIMS
(NOT ENTITLED TO VOTE ON THIS PLAN)

In accordance with Bankruptcy Code § 1123(a)(l), Administrative Expense Claims, DIP Facility Claims and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims and Interests set forth in Article IV hereof. These unclassified Claims are treated as follows:

Section 2.01 Administrative Expense Claims

Each Holder of an Allowed Administrative Expense Claim, on or as soon as practicable after the Effective Date, shall receive from their respective Debtor, in full satisfaction, release, settlement, and discharge of such Allowed Administrative Expense Claim, (i) payment in full in Cash, (ii) other treatment consistent with sections 1129(a)(9)(C) and 1129(a)(9)(D) of the Bankruptcy Code~~,~~ or (iii) such other terms as agreed to among the Debtors and the Holders thereof, subject to the consent of the Requisite Majority Consenting Secured Lenders.

Notwithstanding the foregoing, Allowed Administrative Expense Claims that arise in the ordinary course of the Debtors' businesses shall be paid in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing or other documents relating to such Claims. Professional Fee Claims (as defined herein) shall be paid by the Reorganized Debtors promptly after being approved by the Bankruptcy Court, or in the case of Professional Fee Claims owed pursuant to the DIP Order or Interim DIP Order, pursuant to the terms of such orders.

Section 2.02 DIP Facility Claims

Each Holder of an Allowed DIP Facility Claim, on or as soon as practicable after the Effective Date, shall receive, in full satisfaction, release, settlement, and discharge of such Allowed DIP Facility Claims, payment in full in Cash from the proceeds of the Exit Facility~~ and any Proposed Equity Contribution~~.

Section 2.03 Priority Tax Claims

Each Holder of an Allowed Priority Tax Claim, on or as soon as practicable after the Effective Date, shall receive from their respective Debtor, in full satisfaction, release, and discharge thereof, (i) payment in full in Cash, (ii) other treatment consistent with sections 1129(a)(9)(C) or 1129(a)(9)(D) of the Bankruptcy Code~~,~~ or (iii) such other terms as agreed to among the Debtors and the Holders thereof, subject to the consent of the Requisite Majority Consenting Secured Lenders.

Section 2.04 Bar Dates for Certain Claims

(a) Administrative Expense Claims; Substantial Contribution Claims. The Bar Date for filing of all Administrative Expense Claims, including substantial contribution claims will be the date that is thirty (30) days after the Effective Date (such date, the "Administrative Expense Claims Bar Date"). Holders of asserted Administrative Expense Claims, other than Professional Fee Claims, claims for U.S. Trustee fees under 28 U.S.C. § 1930 and administrative tax claims must submit proofs of Administrative Expense Claims on or before such Administrative Expense Claims Bar Date or forever be barred from doing so. Within five (5) days of the Effective Date, the Reorganized Debtors shall serve and file on the docket of the Bankruptcy Court, a notice setting forth the Administrative Expense Claims Bar Date. The Reorganized Debtors shall have sixty (60) days (or such longer period as may be allowed by order of the Bankruptcy Court) following the Administrative Expense Claims Bar Date to review and object to such Administrative Expense Claims before a hearing for determination of allowance of such Administrative Expense Claims.

(b) Administrative Ordinary Course Liabilities. Holders of Administrative Expense Claims that are based on liabilities incurred and paid by the Debtors in the ordinary course of the Debtors' businesses (other than Claims of governmental units for taxes) on and after the Petition Date shall not be required to file any request for payment of such Administrative Expense Claims. For the avoidance of doubt, Holders of Administrative Expense Claims pursuant to Bankruptcy Code § 503(b)(9) are required to file a Proof of Claim on or before the General Bar Date (as defined in the Bar Date Order).

(c) Administrative Tax Claims. All requests for payment of Administrative Expense Claims by a Governmental Unit for taxes for any tax year or period, all or any portion of which occurs or falls within the period from and including the Petition Date through and including the Effective Date, and for which no bar date has otherwise been previously established, must be filed and served on the Debtors and the Reorganized Debtors and any other party specifically requesting a copy in writing on or before the later of (a) thirty (30) days after the Effective Date; and (b) one hundred and twenty (120) days following the filing of the tax return for such taxes for such tax year or period with the applicable governmental unit. Within five (5) days of the Effective Date, the Reorganized Debtors shall serve, and file on the docket of the Bankruptcy Court, a notice setting forth such applicable Bar Date. Any Holder of any such Claim that is required to file a request for payment of such taxes and does not file and properly serve such a claim by the applicable Bar Date shall be forever barred from asserting any such claim against the Debtors, the Reorganized Debtors, the Disbursing Agent or their property, regardless of whether any such Claim is deemed to arise on or before the Effective Date. Any interested party desiring to object to an Administrative Tax Claim must file and serve its objection on counsel to the Debtors and the Reorganized Debtors and the relevant taxing authority no later than ninety (90) days after the taxing authority files and serves its Claim.

(d) Professional Fee Claims.

(i) All final requests for compensation or reimbursement of Professional fees pursuant to Bankruptcy Code §§ 327, 328, 330, 331, 363, 503(b) or 1103 or pursuant to the Interim DIP Order or Final DIP Order (the "Professional Fee Claims") for services rendered to or on behalf of the Debtors before the Effective Date (other than substantial contribution claims under Bankruptcy Code § 503(b)(4)) must be filed with the Bankruptcy Court and served on the Reorganized Debtors and their counsel no later than thirty (30) days after the Effective Date, unless otherwise ordered by the Bankruptcy Court. Objections to applications of such Professionals or other entities for compensation or reimbursement of expenses must be filed with the Bankruptcy Court and served on the Debtors and the Reorganized Debtors and their counsel and the requesting Professional or other entity no later than twenty (20) days (or such longer period as may be allowed by order of the Bankruptcy Court) after the date on which the applicable application for compensation or reimbursement was served.

(ii) Professional fee claims for reasonable pre- and postpetition fees and expenses of Akin, Gump, Strauss, Hauer & Feld LLP and Centerview Partners, Inc., as advisors to the Ad Hoc Group of Noteholders, up to an aggregate amount of $2.1 million, shall be payable by the Debtors upon the Effective Date, provided that the Plan is supported by GoldenTree Asset Management.

(iii) [The fees and expenses of the Creditors Committee Professionals from March 14, 2016 until such time as the Creditors Committee is dissolved shall be subject to a cap of $[200,000] (the "Committee Fee Cap"). The "Monthly Fixed Fee" (as such term is defined in

the Application to Employ FTI Consulting, Inc., as Financial Advisor to the Official Committee of Unsecured Creditors, Nunc Pro Tunc to December 16, 2015, Pursuant to 11 U.S.C. Sections 328(a) and 1103(a) [Dkt. No. 180]) of FTI Consulting shall be prorated for the month containing the Effective Date, as calculated from the first of such month through and including the Effective Date.][2]

Section 2.05 Payment of Statutory Fees

On or before the Effective Date (or as soon as reasonably practicable after such fees become due), the Debtors shall have paid in full, in Cash (including by check or wire transfer) all fees payable pursuant to § 1930 of title 28 of the United States Code, in the amount determined by the Bankruptcy Court at the Confirmation Hearing.

ARTICLE III

CLASSIFICATION OF CLAIMS AND INTERESTS AND ACCEPTANCE REQUIREMENTS

Section 3.01 Introduction

The categories of Claims and Interests set forth herein classify Claims and Interests for all purposes, including for purposes of voting, confirmation, and distribution pursuant to this Plan and Bankruptcy Code §§ 1122 and 1123(a)(l). A Claim or Interest shall be deemed classified in a particular Class only to the extent that it qualifies within the description of such Class, and shall be deemed classified in other Classes to the extent that any portion of such Claim or Interest qualifies within the description of such other Classes. Notwithstanding anything to the contrary in this Plan, a Claim or Interest shall be deemed classified in a Class only to the extent that such Claim or Interest has not been paid, released, or otherwise settled before the Effective Date.

All Claims (except for Administrative Expense Claims, DIP Facility Claims and Priority Tax Claims, which are not classified pursuant to Bankruptcy Code § 1123(a)(l)) are classified in Section 4.01 through Section 4.08 in this Plan.

Section 3.02 Voting; Presumptions

(a) Acceptance by Impaired Classes. Each Impaired Class of Claims that will (or may) receive or retain property or any interest in property under this Plan shall be entitled to vote to accept or reject this Plan. An Impaired Class of Claims shall have accepted this Plan if (i) the Holders (other than any Holder designated under Bankruptcy Code § 1126(e)) of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept this Plan and (ii) the Holders (other than any Holder designated under Bankruptcy Code § 1126(e)) of more than one-half in number of the Allowed Claims actually voting in such Class have voted to accept this Plan.

(b) Voting Presumptions. Claims in Unimpaired Classes are conclusively deemed to have accepted this Plan pursuant to Bankruptcy Code § 1126(f) and, therefore, are not entitled to

[2] Subject to Creditors Committee final approval.

vote to accept or reject this Plan. Claims and Interests in Classes that do not entitle the Holders thereof to receive or retain any property under this Plan are conclusively deemed to have rejected this Plan pursuant to Bankruptcy Code § 1126(g) and, therefore, are not entitled to vote to accept or reject this Plan.

Section 3.03 Cram Down – Nonconsensual Confirmation

If any Impaired Class of Claims or Interests entitled to vote shall not accept the Plan by the requisite statutory majority provided in Bankruptcy Code § 1126(c) or 1126(d), the Debtors shall request Confirmation of the Plan under Bankruptcy Code § 1129(b). In that event, the Debtors reserve the right to modify the Plan to the extent, if any, that Confirmation pursuant to Bankruptcy Code § 1129(b) requires modification or any other reason in their sole discretion.

Section 3.04 Identification of Claims and Interests

The following table designates the Classes of Claims against, and Interests in, the Debtors and specifies which of those Classes and Interests are (a) Impaired or Unimpaired by this Plan; (b) entitled to vote to accept or reject this Plan in accordance with Bankruptcy Code § 1126; and (c) deemed to accept or reject this Plan.

Class	Type of Allowed Claim or Interest	Impairment	Entitled to Vote
Unclassified Claims			
--	Administrative Expense Claims	Unclassified	Not entitled to vote on the Plan
--	DIP Facility Claims	Unclassified	Not entitled to vote on the Plan
--	Priority Tax Claims	Unclassified	Not entitled to vote on the Plan
Classified Claims			
1	Other Priority Claims	Unimpaired	Not entitled to vote; deemed to accept the Plan
2	Other Secured Claims	Unimpaired	Not entitled to vote; deemed to accept the Plan
3	Prepetition Secured Claims	Impaired	Entitled to vote on the Plan
4	Convertible Notes Claims	Impaired	Entitled to vote on the Plan
5	General Unsecured Claims	Impaired	Entitled to vote on the Plan
6	Convenience Claims	Unimpaired	Not entitled to vote; deemed to accept the Plan
7	Preferred Stock	Impaired	Not entitled to vote; deemed to reject the Plan
8	Interests	Impaired	Not entitled to vote; deemed to reject the Plan

ARTICLE IV

TREATMENT OF CLAIMS AND INTERESTS

Section 4.01 Other Priority Claims

Classification: Class 1 consists of Other Priority Claims against the Debtors.

Treatment: Each holder of an Allowed Claim in Class 1, on or as soon as practicable after the Effective Date, shall receive from its respective Debtor, in full satisfaction, release, settlement, and discharge of such Claims, (i) payment in full in Cash, plus Post-Petition Interest, if applicable, (ii) other treatment consistent with sections 1129(a)(9)(C) and 1129(a)(9)(D) of the Bankruptcy Code or (iii) such other less favorable terms agreed to among the Debtors and Holders thereof, subject to the consent of the Requisite Supermajority Consenting Secured Lenders.

Voting: Claims in Class 1 are Unimpaired. Each Holder of an Allowed Other Priority Claim shall be conclusively deemed to have accepted this Plan (and have consented to the releases in Article XII) pursuant to section 1126(f) of the Bankruptcy Code, and, therefore, shall not be entitled to vote to accept or reject this Plan.

Section 4.02 Other Secured Claims

Classification: Class 2 consists of Allowed Other Secured Claims against the Debtors.

Treatment: Each Holder of an Allowed Claim in Class 2, on or as soon as practicable after the Effective Date, shall receive from its respective Debtor, in full satisfaction, release, settlement, and discharge of such Claim, at the option of the Debtors, in consultation with the Requisite Supermajority Consenting Secured Lenders, (i) payment in full in Cash, plus Post-Petition Interest~~, if applicable, (ii) reinstatement or~~ to the extent required under section 506(b) of the Bankruptcy Code, (ii) be Reinstated or receive such other treatment sufficient to render the Holder of such Claim Unimpaired pursuant to section 1124 of the Bankruptcy Code~~,~~ or (iii) the return of the applicable collateral in satisfaction of the Allowed amount of such Secured Claim.

Voting: Claims in Class 2 are Unimpaired. Each Holder of an Allowed Other Secured Claim shall be conclusively deemed to have accepted this Plan (and to have consented to the releases in Article XII) pursuant to section 1126(f) of the Bankruptcy Code, and, therefore, shall not be entitled to vote to accept or reject this Plan.

Section 4.03 Prepetition Secured Claims

Classification: Class 3 consists of Prepetition Secured Claims against the Debtors.

Treatment: In accordance with the inter-creditor settlement set forth in the RSA, each holder of an Allowed Claim in Class 3, on or as soon as practicable after the Effective Date, shall receive, in full satisfaction, release, settlement, and discharge of such Claims, its *pro rata* share

of (i) the New Term Loan~~ up to $125.0 million, (ii) 96.5% of any principal amount of the New Term Loan in excess of $125.0 million and (iii) 100~~, (ii) 20% of the New Common ~~Shares~~Interests, which shall be subject to dilution by the Management Incentive Plan, ~~any Proposed Equity Contribution~~if any, and/or the Noteholder Warrants (when exercised)~~.~~ and (iii) the option to participate in the Rights Offering.

Voting: Claims in Class 3 are Impaired. Each Holder of an Allowed Prepetition Secured Claim shall be entitled to vote to accept or reject this Plan.

Section 4.04 Convertible Notes Claims

Classification: Class 4 consists of the Convertible Notes Claims against ENXP Allowed in the amount of $375.0 million.

Treatment: In accordance with the inter-creditor settlement set forth in the RSA, each Holder of an Allowed Claim in Class 4, on or as soon as practicable after the Effective Date, shall receive, in full satisfaction, release, settlement, and discharge of such Claims, subject to dilution by the Management Incentive Plan~~ and/or a Proposed Equity Contribution~~, if any, its *pro rata* share of (i) warrants exercisable into ~~3.50~~0.7% of the New Common ~~Shares~~Interests, which warrants shall be struck assuming a cashless exercise, at an equity value equal to $195.0 million less the aggregate principal amount of debt outstanding as of the Effective Date, and will be exercisable at any time from the Effective Date until the seven (7) year anniversary thereof (the "Noteholder Warrants")~~ and (ii) 3.50% of the principal amount of the New Term Loan in excess of $125 million~~.

Voting: Claims in Class 4 are Impaired. Each Holder of an Allowed Convertible Notes Claim shall be entitled to vote to accept or reject this Plan.

Section 4.05 General Unsecured Claims

Classification: Class 5 consists of all Allowed General Unsecured Claims against the Debtors.

Treatment: ~~Each~~In accordance with the inter-creditor settlement set forth in the RSA, (a) each Holder of an Allowed Claim in Class ~~5,~~5 that is not a Deficiency Claim, on or as soon as practicable after the Effective Date, shall receive from its respective Debtor, in full satisfaction, release, settlement, and discharge of such Claim, ~~a~~its *pro rata* ~~(uncertificated) interest in the Litigation Trust, to which shall be transferred on the Effective Date $1.0 million and the Assigned Avoidance Actions in accordance with Section 5.15. The cost of pursuing or litigating any of the Assigned Avoidance Actions and any expenses of the Litigation Trust (including any taxes incurred by the Litigation Trust or in respect of the assets of the Litigation Trust) shall be funded from the $1.0 million and deducted from the proceeds, if any, of the Assigned Avoidance Actions~~share of Class A Interests in the Creditor Trust and (b) each Holder of a Deficiency Claim, on or as soon as practicable after the Effective Date, shall receive, in full satisfaction, release, settlement, and discharge of such Claim, its *pro rata* share of Class B Interests in the Creditor Trust. On the Effective Date, the GUC Cash in the amount of $2,250,000 and the Assigned Estate Claims will be transferred and assigned, free and clear of all Liens, claims,

encumbrances and interests, to the Creditor Trust for the benefit of the Creditor Trust Beneficiaries.

The Creditor Trust will be established for the primary purpose for (a) pursuing the Assigned Estate Claims and distributing the net proceeds thereof to Reorganized ENXP LLC and to the Holders of Class A Interests and Class B Interests as set forth in the Creditor Trust Agreement and (b) any GUC Cash that is not used for administration of the Creditor Trust, to the holders of Class A Interests, with no objective to continue or engage in the conduct of a trade or business Net proceeds from the Assigned Estate Claims shall be payable by the Creditor Trust as follows: (i) the first $1,000,000 will be paid to Reorganized ENXP LLC, (ii) then, *pro rata* to holders of Class A Interests, until such holders recover an aggregate of 15% of the Allowed amount of their claims from the Creditor Trust Assets, and (iii) thereafter, on a *pro rata* basis, to all holders of Class A Interests and Class B Interests. For the avoidance of doubt, any GUC Cash to be distributed to Holders of General Unsecured Claims pursuant to the Creditor Trust Agreement shall only be distributed to the Holders of Class A Interests.

General Unsecured Claims do not include Intercompany Claims. On the Effective Date, or as soon as practicable thereafter, all Intercompany Claims between and among the Debtors shall be ~~reinstated~~Reinstated or compromised by the Reorganized Debtors, as applicable, consistent with the Reorganized Debtors' business plan, and subject to the consent of the Requisite Majority Consenting Secured Lenders.

~~The Prepetition Secured Lenders shall be entitled to vote in Class 5 to the extent of their deficiency claims, but shall not be entitled to any distribution under this Section 4.05 on account of such claims.~~

Voting: Claims in Class 5 are Impaired. Each Holder of an Allowed General Unsecured Claim shall be entitled to vote to accept or reject this Plan.

Section 4.06 Convenience Claims

Classification: Class 6 consists of (a) all Allowed Convenience Claims against the Debtors in the amount of $1,000 or less~~.~~ or (b) the holder of an Allowed General Unsecured Claim in excess of $1,000 that has agreed by an irrevocable written election to reduce the amount of its Allowed General Unsecured Claim to $1,000.

Treatment: Each Holder of an Allowed Claim in Class 6, on or as soon as practicable after the Effective Date, shall receive from its respective Debtor, in full satisfaction, release, settlement, and discharge of such Claim, payment in full in Cash in the amount of ~~their~~its Allowed Convenience Claim.

Voting: Claims in Class 6 are Unimpaired. Each Holder of an Allowed Convenience Claim shall be conclusively deemed to have accepted this Plan (and to have consented to the releases in Article XII) pursuant to section 1126(f) of the Bankruptcy Code, and, therefore, shall not be entitled to vote to accept or reject this Plan.

Section 4.07 Preferred Stock

Classification: Class 7 consists of all Preferred Stock of ENXP (including warrants to purchase such Preferred Stock).

Treatment: On the Effective Date, all existing Preferred Stock (and all warrants to purchase such Preferred Stock) shall be extinguished and owners thereof shall receive no distribution on account of such Preferred Stock.

Voting: Interests in Class 7 are Impaired. Each holder of Allowed Preferred Stock shall be deemed to reject the Plan under section 1126(g) of the Bankruptcy Code and therefore shall not be entitled to vote to accept or reject the Plan.

Section 4.08 Interests

Classification: Class 8 consists of all Interests in the ENXP Common Stock.

Treatment: On the Effective Date, all existing shares of stock, options, warrants, and equity interests in ENXP shall be extinguished and owners thereof shall receive no distribution on account of such stock, options, warrants, or equity interests.

For the avoidance of doubt, all Intercompany Interests (other than the ENXP Common Stock) shall be retained or ~~reinstated~~Reinstated by the Reorganized Debtors as of the Effective Date and shall not be extinguished for purposes of maintaining the Debtors' corporate structure only.

Voting: Interests in Class 8 are Impaired. Each holder of an Allowed Interest shall be deemed to reject the Plan under section 1126(g) of the Bankruptcy Code and therefore shall not be entitled to vote to accept or reject the Plan.

ARTICLE V

MEANS FOR IMPLEMENTATION OF THIS PLAN
AND POST EFFECTIVE DATE GOVERNANCE

Section 5.01 Date of Plan Distributions on Account of Allowed Claims

Except as otherwise specifically provided herein, any distributions and delivery to be made under this Plan shall be made on the Effective Date or as soon as practicable thereafter. In the event that any payment or act under this Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

Section 5.02 Sources of Cash for Plan Distributions

Except as otherwise specifically provided herein or in the Confirmation Order, all Cash required for the payments to be made hereunder shall be obtained from the Reorganized Debtors~~,~~ and the Exit Facility~~ or the Proposed Equity Contribution, as applicable~~.

Section 5.03 Operations ~~Between~~between the Confirmation Date and the Effective Date

During the period from the Confirmation Date through and until the Effective Date, the Debtors may continue to operate their businesses as debtors in possession, subject to all applicable orders of the Bankruptcy Court, the Bankruptcy Code, and any limitations set forth herein or in the Confirmation Order.

Section 5.04 Issuance of New Common ~~Shares~~Interests

On or as soon as practicable after the Effective Date, Reorganized ENXP LLC is authorized to issue or cause to be issued the New Common ~~Shares~~Interests, including options and/or other equity awards, if any, reserved under the Management Incentive Plan~~,~~ in accordance with the terms of this Plan and the Organizational Documents, without the need for any further corporate or member action. All of the New Common ~~Shares~~Interests issuable under the Plan, including options and/or other equity awards, if any, reserved under the Management Incentive Plan, when so issued, shall be duly authorized, validly issued, fully paid, and non-assessable, and deemed not to have been issued in violation of any preemptive rights, rights of first refusal, or similar rights or any applicable law. For the avoidance of doubt, any claimant's acceptance of the New Common ~~Shares~~Interests shall be deemed as its agreement to be bound to the terms and conditions of the New Shareholders Agreement.

Upon issuance, (i) the New Common ~~Shares~~Interests shall not be registered under the Securities Act, and shall not be listed for public trading on any securities exchange, and (ii) none of the Reorganized Debtors will be a reporting company under the Exchange Act. The distribution of New Common ~~Shares~~Interests pursuant to the Plan may be made by delivery of one or more certificates representing such New Common ~~Shares~~Interests as described herein, by means of book-entry registration on the books of the transfer agent for shares of New Common ~~Shares~~Interests or by means of book-entry exchange through the facilities of a transfer agent satisfactory to the Debtors and the Requisite Majority Consenting Secured Lenders in accordance with the customary practices of such agent, as and to the extent practicable.

Section 5.05 Issuance of Noteholder Warrants

On or as soon as practicable after the Effective Date, Reorganized ENXP LLC is authorized to issue the Noteholder Warrants without the need for any further corporate or member action. All of the Noteholder Warrants issuable under the Plan, when so issued, shall be duly authorized, validly issued, fully paid, and non-assessable, and deemed not to have been issued in violation of any preemptive rights, rights of first refusal, or similar rights or any applicable law.

Upon such issuance, (i) the Noteholder Warrants shall not be registered under the Securities Act, and shall not be listed for public trading on any securities exchange, and (ii) none of the Reorganized Debtors will be a reporting company under the Exchange Act. The distribution of Noteholder Warrants pursuant to the Plan may be made by delivery of one or more certificates representing such Noteholder Warrants as described herein, by means of book-entry registration on the books of the transfer agent for Noteholder Warrants or by means of book-entry exchange through the facilities of a transfer agent satisfactory to the Debtors and

the Requisite Majority Consenting Secured Lenders in accordance with the customary practices of such agent, as and to the extent practicable.

Section 5.06 Exemption from Registration

Pursuant to ~~Section~~section 1145 of the Bankruptcy Code, the issuance of any securities under this Plan, including the New Common ~~Shares~~Interests and the Noteholder Warrants, shall be exempt from, among other things, the registration and prospectus delivery requirements of Section 5 of the Securities Act, and any other applicable ~~U.S. state or local law requiring registration and/or delivery of prospectuses prior to the offering, issuance, distribution or sale of securities. The New Common Shares (a) are not "restricted securities" as defined in Rule 144(a)(3) under the Securities Act and (b) are freely tradable and transferable by any initial recipient thereof that (i) is not an "affiliate" of the Reorganized Debtors as defined in Rule 144(a)(1) under the Securities Act, (ii) has not been such an "affiliate" within 90 days of such transfer and (iii) is not an entity that is an "underwriter" as defined in subsection (b) of Section~~securities laws under section 1145 of the Bankruptcy Code, or such other exemption as may be available from any applicable registration requirements.

Section 5.07 Restructuring Transactions

On or as soon as practicable after the Effective Date, the Reorganized Debtors are authorized, without further order of the Bankruptcy Court, to take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Restructuring Transactions under and in connection with this Plan~~, the Proposed Equity Contribution~~ and/or the Exit Facility, including, without limitation: ~~(a)~~ the execution and delivery of all appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of this Plan, and that satisfy the requirements of applicable law and any other terms to which the applicable Entities may agree, including, without limitation, (a) the New Term Loan and the Exit Facility; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of this Plan and having other terms for which the applicable parties agree; (c) rejection or assumption, as applicable, of ~~Executory Contracts and Unexpired Leases~~executory contracts and unexpired leases; (d) the filing and/or execution of appropriate limited liability company agreements, certificates or articles of incorporation or organization, reincorporation, merger, consolidation, conversion or dissolution pursuant to applicable state law; (e) the consummation of the transactions contemplated by the Exit Facility Documentation ~~and Proposed Equity Contribution~~ and the execution thereof; (f) the issuance of New Common ~~Shares~~Interests and the Noteholder Warrants; and (g) all other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law.

Section 5.08 ~~Exit Facility~~Exit Facility: Rights Offering

The ~~Exit Facility shall become effective on the Effective Date. The Reorganized Debtors may use the Exit Facility for any purpose permitted by the Exit Facility, including the funding of~~

obligations under the Plan and satisfaction of ongoing working capital needs.Debtors shall conduct a Rights Offering and offer Rights to Prepetition Secured Lenders to fund the Exit Facility. The Rights Offering shall be made available to each holder of Prepetition Secured Claims. The Backstop Parties shall backstop the funding of the Exit Facility, subject to certain terms and conditions to be included in the Backstop Commitment Letter [annexed hereto as **Exhibit B**].

Each holder of an Allowed Prepetition Secured Claim shall be offered the Rights, pursuant to the Rights Offering Procedures, in conjunction with voting on the Plan. The Rights shall entitle the holder thereof to purchase contemporaneously with the Effective Date, a *pro rata* share of (a) the Exit Facility, which will be secured by first priority liens on substantially all of the Debtors' assets and otherwise be on terms set forth in the Exit Facility Documentation and (b) 80% of the New Common Interests, subject to dilution from the Management Incentive Plan and the Noteholder Warrants (when exercised). The Rights Offering Proceeds shall be utilized by the Debtors and Reorganized Debtors to repay the DIP Facility Claims and fund working capital needs post-Effective Date. Notwithstanding anything contained herein or the Rights Offering Procedures to the contrary, the Debtors may, with the consent of the Requisite Backstop Parties, modify the Rights Offering Procedures or adopt additional procedures. The closing of the Rights Offering is conditioned on consummation of the Plan. Amounts held by the Subscription Agent with respect to the Rights Offering prior to the Effective Date shall not be entitled to any interest on account of such amounts.

(1) Election Form

In accordance with the terms of the Rights Offering Procedures, the Debtors shall deliver an Election Form to each Prepetition Secured Lender that is a holder of a Prepetition Secured Claim as of [March 18], 2016 to determine which such holders desire to participate in the Rights Offering. Each Participant in the Rights Offering shall be provided the opportunity to participate in the Rights Offering on a *pro rata* basis in an amount commensurate with such Participant's aggregate principal outstanding Prepetition Secured Claims held as of the Confirmation Date. Any Prepetition Secured Lender that is a holder of a Prepetition Secured Claim that does not return a validly completed Election Form by the Subscription Deadline shall not be entitled to participate in the Rights Offering; *provided, however*, that the Backstop Parties shall not be required to return an Election Form and, *provided, further*, that the obligations of the Backstop Parties to fund the Exit Facility shall be governed by the Backstop Commitment Letter.

(2) Issuance of Rights

The exercise price per Right ("Per Interest Price") shall be $100,000, and shall entitle such Participant to purchase $100,000 of principal amount of the Exit Facility and 0.0888888889% of the New Common Interests being offered in the Rights Offering; *provided, however*, that such Participant shall only be required to fund on the Effective Date the portion of the Per Interest Price that represents the aggregate amount of the Exit Facility to be drawn at the Effective Date (the "Effective Date Funding Amount"), currently estimated to be $65,000,000, and the remainder of such Per Interest Price shall be committed under the Exit Facility in accordance with the terms thereof, and any funds delivered by a Participant in connection with the Rights Offering in excess of the Effective Date Funding Amount will be returned to such

Participant at the closing of the Rights Offering. Fractional shares of New Common Interests shall not be issued in connection with the Rights Offering and any such fractional shares will be rounded up or down to the nearest whole number, as determined by the Debtors.

(3) Transfer Restrictions and Revocation

The Rights shall not be assignable or detachable, and shall not be transferrable other than in connection with the transfer of the corresponding Claims. After a Right has been exercised, the underlying Claim corresponding to the Right will cease to be transferrable. In addition, once an Participant has properly exercised its Rights, such exercise cannot be revoked, rescinded or annulled for any reason unless the Effective Date has not occurred on or before forty-five (45) days following the Subscription Deadline, at which time any Participant may revoke the exercise of all, but not less than all, of the Rights it has exercised by delivery of a revocation notice pursuant to the Rights Offering Procedures.

(4) Issuance of New Common Interests and Rights to Participate in Rights Offering

On the Effective Date, Reorganized ENXP LLC shall provide the Rights Offering Interests in exchange for payment therefor, to those Participants that, in accordance with the Plan and the Rights Offering Procedures, validly exercised their respective Rights to participate in the Rights Offering.

(5) Refund of Payments

If the Rights Offering is terminated, including by termination of the Backstop Commitment Letter, any payment made by a Participant pursuant to the Rights Offering shall be refunded as soon as practicable thereafter, without interest or deduction. If a Participant participating in the Rights Offering has made an overpayment, including in connection with the Effective Date Funding Amount, the amount of such overpayment shall be refunded as soon as practicable following the Subscription Deadline, without interest or deduction.

(6) Rights Offering Dates

The Rights Offering shall be commenced and completed in accordance with the dates set forth in the Rights Offering Procedures; *provided, however*, that the Debtors may modify such dates and deadlines consistent with the Rights Offering Procedures and subject to the consent of the Requisite Backstop Parties. For the avoidance of doubt, nothing herein constitutes an offer of Rights Offering Interests.

(7) Exit Facility

Confirmation of the Plan shall be deemed to constitute approval of the Rights Offering and Exit Facility (including all transactions contemplated thereby, such as any supplementation or additional syndication of the Exit Facility, and all actions to be taken, undertakings to be made and obligations to be incurred by the Reorganized Debtors in connection therewith, including the payment of all fees, indemnities and expenses provided for therein) and the granting of security interests thereunder, and authorization for the Reorganized Debtors to enter into and perform

under the Exit Facility Documentation and such other documents as may be required or appropriate.

The Exit Facility Documentation shall constitute legal, valid, binding, and authorized obligations of the Reorganized Debtors, enforceable in accordance with their terms. The financial accommodations to be extended pursuant to the Exit Facility Documentation are being extended, and shall be deemed to have been extended, in good faith, for legitimate business purposes, are reasonable, shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever, and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any other applicable non-bankruptcy law. On the Effective Date, all of the Liens and security interests to be granted in accordance with the Exit Facility Documentation (a) shall be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Exit Facility Documentation, (b) shall be deemed automatically perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the Exit Facility Documentation and (c) shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any applicable non-bankruptcy law. The Reorganized Debtors and the Persons or Entities granting such Liens and security interests are authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect, or to evidence the perfection of, such Liens and security interests under the provisions of the applicable state, provincial, federal, or other law (whether domestic or foreign) that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order, and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such Liens and security interests to third parties. To the extent that any holder of a Secured Claim that has been satisfied or discharged in full pursuant to the Plan, or any agent for such holder, has filed or recorded publicly any Liens and/or security interests to secure such holder~~'~~’s Secured Claim, then as soon as practicable on or after the Effective Date such holder (or the agent for such holder) shall take any and all steps requested by the Reorganized Debtors that are necessary to cancel and/or extinguish such Liens and/or security interests.

Section 5.09 New Term Loan

On or as soon as practicable after the Effective Date, ~~the applicable~~ Reorganized Debtors are authorized, without the need for any further corporate or limited liability company action, to enter into the New Term Loan and any ancillary documents necessary or appropriate to satisfy the conditions to effectiveness of the Plan. The New Term Loan will be secured by Liens on substantially all of the Debtors’ assets junior to the Liens securing the Exit Facility.

The New Term Loan Documentation shall constitute legal, valid, binding, and authorized obligations of the Reorganized Debtors, enforceable in accordance with their terms. The financial accommodations to be extended pursuant to the New Term Loan Documentation shall be deemed to have been extended, in good faith, for legitimate business purposes, shall not

be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever, and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any other applicable non-bankruptcy law. On the Effective Date, all of the Liens and security interests to be granted in accordance with the New Term Loan Documentation (a) shall be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the New Term Loan Documentation, (b) shall be deemed automatically perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the New Term Loan Documentation and (c) shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any applicable non-bankruptcy law. The Reorganized Debtors and the Persons or Entities granting such Liens and security interests are authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect, or to evidence the perfection of, such Liens and security interests under the provisions of the applicable state, provincial, federal, or other law (whether domestic or foreign) that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order, and any such filings, recordings, approvals, and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such Liens and security interests to third parties. To the extent that any holder of a Secured Claim that has been satisfied or discharged in full pursuant to the Plan, or any agent for such holder, has filed or recorded publicly any Liens and/or security interests to secure such holder~~'~~’s Secured Claim, then as soon as practicable on or after the Effective Date such holder (or the agent for such holder) shall take any and all steps requested by the Debtors or the Reorganized Debtors that are necessary to cancel and/or extinguish such Liens and/or security interests.

Section 5.10 Cancellation of Certain Indebtedness, Agreements, and Existing Securities

On or as soon as practicable after the Effective Date, except for the purposes of evidencing a right to a distribution under this Plan, and except as otherwise specifically provided for in the Plan, (i) the RSA, the Prepetition Secured Facility, the Convertible Notes Indenture, the Chesapeake Note, and any other certificate, note, bond, indenture, or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of any of the Debtors giving rise to any Claim (except such certificates, notes, or other instruments or documents evidencing indebtedness or obligations of any Debtors that are specifically Reinstated pursuant to the Plan), (ii) ~~all Junior Statutory Liens and (iii)~~ all Preferred Stock, warrants for Preferred Stock and ENXP Common Stock and any certificate or other instrument or document directly or indirectly evidencing, convertible into, or creating any warrants, Preferred Stock or, other Interest in ENXP (including the ENXP Common Stock) as of immediately prior to the Effective Date, (iii) all registration rights, preemptive rights, rights of first refusal, rights of first offer, co-sale rights, and other investor rights governing or relating to any of the indebtedness, obligations, Preferred Stock, ENXP Common Stock, or other items described in any of clauses (i) or (ii) above, and (iv) all obligations and liabilities arising under, related to, or in connection with, any of the items described in any of clauses (i)-(iii) above, in any such case, shall be

deemed automatically extinguished, cancelled and of no further force and effect, without any further act, or action under any applicable agreement, law, regulation, order or rule, and the Debtors and the Reorganized Debtors shall not have any continuing obligations thereunder or with respect thereto; and the obligations of any of the Debtors and the Reorganized Debtors pursuant, relating, or pertaining to any agreements, indentures, purchase agreements, certificates of incorporation, certificates of formation, by-laws, limited liability company agreements or similar documents governing or evidencing any of the items described in clauses (i)-(iv) above shall be released and discharged; and the holder of or parties to, or beneficiaries of, any of the items described in clauses (i)-(iv) above, will have no rights arising from or relating to, and will not be entitled to the benefits of, any such items or the cancellation thereof, except the rights expressly provided for pursuant to this Plan. For the avoidance of doubt, nothing in this ~~section~~Section 5.10 shall affect the discharge of or result in any obligation, liability, or expense of the Debtors or the Reorganized Debtors, or affect the discharge of Claims, Preferred Stock or Interests pursuant to the Bankruptcy Code, the Confirmation Order, or the Plan, or result in any additional obligation, expense, or liability of the Debtors or the Reorganized Debtors; provided, further, that nothing in this ~~section~~Section 5.10 shall effect a cancellation of any New Common ~~Shares~~Interests or Intercompany Interests (other than the ENXP Common Stock).

In addition to the foregoing, the Convertible Notes Indenture shall continue in effect solely to the extent necessary to (i) allow the Disbursing Agent to make distributions to the Holders of Convertible Notes Claims; (ii) allow the Indenture Trustee to make distributions to the Holders of Convertible Notes Claims; (iii) permit the Indenture Trustee to assert its Indenture Trustee Charging Lien; (iv) allow the Indenture Trustee to maintain any right of indemnification, contribution, subrogation or any other claim or entitlement it may have under the Convertible Notes Indenture; (v) permit the Indenture Trustee to appear before the Bankruptcy Court after the Effective Date; (vi) permit the Indenture Trustee to perform any functions that are necessary to effectuate the foregoing; and (vii) to exercise its rights and obligations relating to the interests of its holders under the Convertible Notes Indenture, *provided that* Indenture Trustee Fees incurred pursuant to this Section 5.10 shall at all times be subject to Section 7.10 herein.

Upon the payment or other satisfaction of an Allowed Other Secured Claim, the Holder of such Allowed Other Secured Claim shall deliver to the Debtors or Reorganized Debtors (as applicable) any collateral or other property of the Debtors held by such Holder, and any termination statements, instruments of satisfactions, or releases of all security interests with respect to its Allowed Other Secured Claim that may be required in order to terminate any related financing statements, mortgages, mechanic's liens or *lis pendens*.

Section 5.11 Intercompany Claims

No separate distributions shall be made hereunder on account of prepetition Intercompany Claims, and such Claims may be ~~reinstated~~Reinstated, extinguished or compromised (by distribution, contribution, or otherwise) in the discretion of the Reorganized Debtors, consistent with their business plan, on or after the Effective Date.

Section 5.12 Intercompany Interests

Subject to the transactions contemplated in the Plan, the Intercompany Interests (other than ENXP Common Stock) shall be retained or ~~reinstated~~Reinstated as of the Effective Date and shall continue in place, solely for the purpose of maintaining the existing corporate structure of the Debtors and the Reorganized Debtors.

Section 5.13 Dissolution of ENXP; Continued Corporate Existence and Vesting of Assets

ENXP shall be deemed dissolved for all purposes as and subject to the occurrence of the Effective Date without the necessity of any other or further actions to be taken by or on behalf of the Debtors or payments to be made in connection therewith; *provided*, *however*, that the Debtors will file with the Office of the Secretary of State for its state of incorporation a certificate of dissolution which may be executed by an officer of the Debtors without the need for approval of the ~~Board~~Debtors' board of ~~Directors~~directors or shareholders. From and after the Effective Date, the Debtors and Reorganized Debtors shall not be required to file any document, or take any other action, to withdraw ENXP's business operations from any states in which it previously conducted business. All property of ENXP's Estate to be retained under the Plan shall be transferred on the Effective Date, without the necessity of any other or further action, to Reorganized ENXP LLC or such other Reorganized Debtor as determined by the Reorganized Debtors.

Except as otherwise provided herein, each Debtor (other than ENXP) will, as a Reorganized Debtor, continue to exist after the Effective Date as a separate legal entity, with all of the powers of such legal entity, in accordance with the applicable laws of the respective jurisdictions in which they are incorporated or organized and pursuant to such Reorganized Debtors' Organizational Documents and without prejudice to any right to alter or terminate such existence (whether by merger, dissolution or otherwise) under applicable law. On or after the Effective Date, each Reorganized Debtor, in its sole and exclusive discretion, may take such action as permitted by applicable law and such Reorganized Debtors' Organizational Documents, as such Reorganized Debtor may determine is reasonable and appropriate, including, but not limited to, causing: (i) a Reorganized Debtor to be merged into another Reorganized Debtor, or its subsidiary and/or Affiliate; (ii) a Reorganized Debtor to be dissolved; (iii) the legal name of a Reorganized Debtor to be changed; (iv) a Reorganized Debtor to reorganize under the laws of another jurisdiction; or (v) the closure of a Reorganized Debtors' case on the Effective Date or any time thereafter.

Except as otherwise provided herein, on the Effective Date, all property of each Debtor's Estate, including any property held or acquired by each Debtor or Reorganized Debtor under the Plan or otherwise, will vest in such Reorganized Debtor free and clear of all Claims, Liens, charges, other encumbrances, Interests, and other equity interests, except for the Liens and Claims established under the Plan; *provided that* nothing in this Article V shall limit the ability under the Bankruptcy Code of any party-in-interest to object to any Claim prior to the Claims Objection Deadline unless otherwise ordered by the Bankruptcy Court; *provided, further, however*, that the Debtors and the Reorganized Debtors waive and release any Causes of Action against any of the Released Persons as provided for in Article XII hereof.

On and after the Effective Date, each Reorganized Debtor may operate its business and may use, acquire, and dispose of property and maintain, prosecute, abandon, compromise, settle or otherwise dispose any Claims or Causes of Action (other than the Assigned Estate Claims) without supervision or approval by the Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, subject only to those restrictions expressly imposed by the Plan or the Confirmation Order as well as the documents and instruments executed and delivered in connection therewith, including the documents, exhibits, instruments, and other materials comprising the Plan Supplement. Without limiting the foregoing, the Reorganized Debtors may pay the charges that they incur from and after the Effective Date for disbursements, expenses, or related support services (including fees relating to the preparation of Professional fee applications) without application to, or the approval of, the Bankruptcy Court.

Section 5.14 Retention of ~~Avoidance Actions~~Causes of Action

As of the Effective Date, all ~~Avoidance Actions~~Causes of Action, except the Assigned ~~Avoidance Actions~~Estate Claims, shall vest exclusively in the Reorganized Debtors; *provided, however*, that the Debtors and Reorganized Debtors waive and release any Causes of Action against any of the Released Persons as provided for in Article XII hereof.

Section 5.15 Preservation of Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, and except as expressly provided in Article XII herein, the Reorganized Debtors shall retain all Causes of Action~~, if any,~~ (other than the Assigned Estate Claims, which shall vest in the Creditor Trust), if any, of the Debtors~~ as described~~, including, but not limited to, those provided in the Plan Supplement. Nothing contained in this Plan or the Confirmation Order shall be deemed a waiver or relinquishment of any claim, Cause of Action, right of setoff, or other legal or equitable defense of any Debtor that is not specifically waived or relinquished by this Plan. The Reorganized Debtors, and, with respect to the Assigned Estate Claims, the Creditor Trustee shall have, retain, reserve, and be entitled to assert, all such claims, Causes of Action, rights of setoff, and other legal or equitable defenses that any Debtor had immediately before the Effective Date as fully as if these Chapter 11 Cases had not been commenced, and all of the Reorganized Debtors' legal and equitable rights respecting any claim that are not specifically waived or relinquished by this Plan may be asserted after the Effective Date to the same extent as if these Chapter 11 Cases had not been commenced. No Person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors~~ or~~, the Reorganized Debtors, or Creditor Trustee, as applicable, will not pursue any and all available Causes of Action against such Person. The Debtors~~ or~~, the Reorganized Debtors, or the Creditor Trustee, as applicable, expressly reserve all rights to prosecute any and all Causes of Action ~~(excluding the Assigned Avoidance Actions, which shall be prosecuted by the Litigation Trust)~~ against any Person, subject to the terms of the Plan. From and after the Effective Date, the Reorganized Debtors and, with respect to the Assigned Estate Actions, the Creditor Trustee, shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any Cause of Action and to decline to do any of the foregoing without further notice to or action, order, or approval of the Court. The Reorganized Debtors are deemed representatives of the

Estates for the purpose of prosecuting any Claim or Cause of Action and any objections to Claims pursuant to 11 U.S.C. § 1123(b)(3)(B).

Section 5.16 LitigationCreditor Trust

A litigation trust (the "LitigationThe Creditor Trust") shall be established pursuant to this Plan and become effective for the benefit of the LitigationCreditor Trust Beneficiaries on the Effective Date, for the primary purpose of (i) pursuing the Assigned Avoidance ActionsEstate Claims and distributing any net proceeds therefrom and (ii) distributing the GUC Cash pursuant to this Plan and the Creditor Trust Agreement, with no objective to continue or engage in the conduct of a trade or business. The Plan and the LitigationCreditor Trust Agreement shall govern the management and administration of the LitigationCreditor Trust and the respective rights, powers, and obligations of the Litigation Trustee and the Litigation Trust Beneficiaries. The LitigationCreditor Trustee and the Creditor Trust Beneficiaries, including the Creditor Trustee's power to take the reasonable actions necessary or appropriate to fulfill the purpose of the Plan, including (a) filing, prosecuting, settling or otherwise resolving any objection to General Unsecured Claims held by entities included in the Assigned Estate Claims; (b) retaining and paying professionals as necessary to fulfill its duties under the Plan; (c) evaluating, filing, litigating, settling, or otherwise pursuing any Assigned Estate Claims; (d) abandoning any property of the Creditor Trust that cannot be sold or distributed economically; (e) making interim and final distributions of the Creditor Trust Assets; (f) winding up the affairs of the Creditor Trust and dissolving it under applicable law; and (g) such other responsibilities as may be vested in the Creditor Trustee pursuant to the Plan, the Creditor Trust Agreement or a Bankruptcy Court order as may be necessary and proper to carry out the provisions of the Creditor Trust Agreement, but only to the extent consistent with this Plan. The Creditor Trust Agreement will be binding on all LitigationCreditor Trust Beneficiaries who shall be deemed to have executed the LitigationCreditor Trust Agreement as of the Effective Date.

[On the Effective Date, $1 millionthe Creditor Trust Assets, consisting of the $2,250,000 GUC Cash and the Assigned Avoidance ActionsEstate Claims will be absolutely transferred and assigned to the Litigation Trust. For the avoidance of doubt, the Assigned Avoidance Actions shall be only those Avoidance Actions specified in the Plan Supplement as "Assigned Avoidance Actions" and shall not include any of the Avoidance Actions vesting in the Reorganized Debtors as of the Effective Date. The LitigationCreditor Trust free and clear of all Liens, encumbrances, or interests of any kind. The Creditor Trustee, in the exercise of its reasonable discretion and in accordance with the LitigationCreditor Trust Agreement, shall not be obligated to pursue theany Assigned Avoidance Actions.][2]Estate Claims.

In accordance with section 1123(b) of the Bankruptcy Code, the LitigationCreditor Trust shall retain and may enforce all of the Debtors'' rights to commence and pursue, as appropriate, any and all of the Assigned Avoidance ActionsEstate Claims, and the LitigationCreditor Trust''s rights to commence, prosecute, or settle such Assigned Avoidance ActionsEstate Claims shall be preserved notwithstanding the occurrence of the Effective Date. The LitigationCreditor Trust may pursue such Assigned Avoidance ActionsEstate Claims, as appropriate, in accordance with the LitigationCreditor Trust Agreement. No Entity may rely on the absence of a specific

[2] Subject to ongoing discussions among the Consenting Secured Lenders, the Debtors, and the Creditors' Committee.

reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Assigned ~~Avoidance Action~~Estate Claim as any indication that the ~~Litigation~~Creditor Trust will not pursue any and all Assigned ~~Avoidance Actions~~Estate Claim. The ~~Litigation~~Creditor Trust expressly reserves all rights to prosecute any and all such Assigned ~~Avoidance Actions~~Estate Claims against any Entity.

A three (3) member creditor oversight board will be formed with two (2) members selected by the Committee and one (1) member selected by the Ad Hoc Group of Lenders. All other Creditor Trust governance issues shall be determined by the Creditors Committee in consultation with the Ad Hoc Group of Lenders and the Debtors, and be included in the Creditor Trust Agreement, to be included in the Plan Supplement.

The Reorganized Debtors shall provide reasonable and timely cooperation to effectuate the provisions of the Plan as the Creditor Trustee might otherwise reasonably request. To the extent necessary for the Creditor Trustee to act in accordance with the terms of the Plan and Creditor Trust Agreement, all Privileges shall be extended to the Creditor Trustee, or shall remain with the Reorganized Debtors, as applicable, without waiver or release. The Creditor Trustee shall be the beneficiary of all Privileges and be entitled to assert all Privileges, but only to the extent such Privileges relate to the Assigned Estate Claims. No Privilege shall be waived by disclosure to the Creditor Trustee of the Debtors' documents, information or communications subject to attorney-client privileges, work product protections or immunities or protections from disclosure held by the Debtor. For the avoidance of doubt, the Creditor Trustee shall not have any rights or ability to waive any privilege of the Reorganized Debtors, either intentionally or inadvertently.

As of the Effective Date and thereafter, and to the fullest extent permitted by applicable law, the Creditor Trustee and his/her professionals, acting in such capacity, shall not have nor incur any liability for any claim, cause of action, or other assertion of liability solely for any act taken or omitted in connection with, related to, or arising out of the performance of any act, duty, responsibility or omission arising under the Plan; *provided, however*, that the foregoing shall not affect the liability of the Creditor Trustee or his/her professionals that otherwise would result from any act or omission to the extent that such act or omission is determined by a Final Order to have constituted actual fraud, willful misconduct, or gross negligence.

~~Net proceeds from the Litigation Trust (after deduction for all costs and expenses of the Litigation Trust) shall be distributed *pro rata* among Holders of Allowed General Unsecured Claims.~~ As further described in the Creditor Trust Agreement, the Creditor Trust shall establish two classes of shares for distribution of the proceeds of the Creditor Trust Assets, Class A Interests and Class B Interests. Class A Interests will be distributed to holders of General Unsecured Claims that are not Deficiency Claims. Holders of Deficiency Claims will receive Class B Interests of the Creditor Trust. Net proceeds from the Assigned Estate Claims shall be payable by the Creditor Trust as follows: (i) the first $1,000,000 will be paid to Reorganized ENXP LLC, (ii) then, *pro rata* to holders of Class A Interests, until such holders recover an aggregate of 15% of the Allowed amount of their claims from the Creditor Trust Assets, and (iii) thereafter, on a *pro rata* basis, to all holders of Class A Interests and Class B Interests. For the avoidance of doubt, any GUC Cash to be distributed to holders of General Unsecured Claims

pursuant to the Liquidation Trust Agreement shall only be distributed to the Holders of Class A Interests.

The ~~Litigation~~Creditor Trust shall be structured to qualify as a ~~"~~“liquidating trust~~"~~” within the meaning of Treasury Regulations Section 301.7701-4(d) and in compliance with Revenue Procedure 94-45, 1994-2 C.B. 684, and, thus, as a ~~"~~“grantor trust~~"~~” within the meaning of Sections 671 through 679 of the Tax Code to the holders of General Unsecured Claims, consistent with the terms of the Plan; *provided, however*, that the ~~Litigation~~Creditor Trustee shall elect under Treasury Regulations Section 1.468B-9(c)(2)(ii) to treat the ~~Litigation~~Creditor Trust Disputed Claims Reserve as a “disputed ownership fund.” Accordingly, other than the portion of the ~~Litigation~~Creditor Trust ~~assets~~Assets comprising the ~~Litigation~~Creditor Trust Disputed Claims Reserve, holders of Allowed General Unsecured Claims shall be treated for U.S. federal income tax purposes, (i) as direct recipients of an undivided interest in the assets transferred to the ~~Litigation~~Creditor Trust and as having immediately contributed such assets to the ~~Litigation~~Creditor Trust, and (ii) thereafter, as the grantors and deemed owners of the ~~Liquidating~~Creditor Trust and thus, the direct owners of an undivided interest in the assets held by the ~~Litigation~~Creditor Trust. All parties (including the ~~Litigation~~Creditor Trustee and holders of General Unsecured Claims) shall report consistent with the valuation of the assets transferred to the ~~Liquidating~~Creditor Trust as established by ENXP LLC, Reorganized, ENXP LLC, or its designee. The ~~Litigation~~Creditor Trustee shall be responsible for filing information on behalf of the ~~Litigation~~Creditor Trust as grantor trust pursuant to Treasury Regulation Section 1.671-4(a) or as a disputed ownership fund (as applicable).

The ~~Liquidating~~Creditor Trust ~~Interests~~Assets shall not be transferable or assignable except by will, intestate succession or operation of law; *provided, however*, that a Holder of such interests may abandon such interests back to the Creditor Trust at its sole discretion.

Section 5.17 Claims Incurred After the Effective Date

Claims incurred by the Debtors after the Effective Date may be paid by the Reorganized Debtors in the ordinary course of business and without application for or Court approval, subject to any agreements with such Holders of a Claim and applicable law.

Section 5.18 Corporate Action

Each of the matters provided for by the Plan involving the corporate or limited liability company structure of the Debtors or the Reorganized Debtors, and any action under the Plan to be taken by of required or the Debtors or of the Reorganized Debtors, whether taken prior to or as of the Effective Date, including, without limitation, (a) the adoption and filing of the Organizational Documents for each of the Reorganized Debtors; (b) the authorization, issuance, and distribution of New Common ~~Shares~~Interests, Noteholder Warrants and any other securities and instruments; (c) the adoption, assumption~~ or~~, assignment, or rejection, as applicable, of Executory Contracts; (d) implementation of the Management Incentive Plan; (e) the selection of officers or directors/managers, and (f) the entry into the New Term Loan, Exit Facility, ~~any Proposed Equity Contribution, ~~and the execution and delivery of Definitive Documentation with respect thereto, and implementation of the Restructuring Transactions shall each be authorized

and approved in all respects, without any requirement of further action by any of the Debtors' or Reorganized Debtors' boards of directors or managers, as applicable, or security holders.

The Debtors, the Reorganized Debtors, and the Disbursing Agent, as applicable, shall be authorized to execute, deliver, file, and record such documents (including the Plan Documents), contracts, instruments, releases and other agreements and take such other action as may be necessary to effectuate and further evidence the terms and conditions of the Plan, without the necessity of any further Bankruptcy Court, corporate, board or security holder approval or action. In addition, the selection of the Persons who will serve as the initial directors, officers and managers of the Reorganized Debtors as of the Effective Date shall be deemed to have occurred and be effective on and after the Effective Date without any requirement of further action by the Debtors' board of directors, board of managers, or stockholders of the applicable Debtor or Reorganized Debtor.

The authorizations and approvals contemplated by this Section ~~5.17~~5.18 shall be effective notwithstanding any requirements under ~~nonbankruptcy~~non-bankruptcy law.

Section 5.19 Organizational Documents

On the Effective Date, the Organizational Documents of the Debtors shall be deemed amended and restated in substantially the form set forth in the Plan Supplement, and in form and substance acceptable to the Requisite Supermajority Consenting Secured Lenders, in consultation with the Debtors, without any further action by the directors or stockholders of the Debtors or the Reorganized Debtors. The amended and restated Organizational Documents will, among other things, contain appropriate provisions prohibiting the issuance of nonvoting equity securities to the extent required by § 1123(a)(6) of the Bankruptcy Code. On the Effective Date, or as soon as practicable thereafter, the Debtors or the Reorganized Debtors will, if required by applicable state law, file with the Secretary of State of the appropriate jurisdiction the amended and restated Organizational Documents. After the Effective Date, the Reorganized Debtors may amend and/or restate their respective Organizational Documents and other constituent documents as permitted by the laws of their respective states of formation and their respective Organizational Documents.

Section 5.20 Board of Directors of Reorganized Debtors

On the Effective Date, the Reorganized Debtors will be managed by and under the direction of a new board of directors or other governing body, as may be constituted from time to time pursuant to the Organizational Documents of the Reorganized Debtors and applicable ~~nonbankruptcy~~non-bankruptcy law.

The Board of Directors of the Reorganized Debtors shall have full power and authority to manage the business and affairs of the Reorganized Debtors.

Section 5.21 Management Incentive Plan

After the Effective Date, a management incentive plan shall be adopted by the Reorganized Debtors (the "Management Incentive Plan"). The Management Incentive Plan shall provide some combination of ~~cash~~Cash, options, and/or other equity-based compensation to the

management of Reorganized ENXP LLC as set forth in the Plan Supplement, which amount shall not exceed 10% of the New Common ~~Shares~~Interests of Reorganized ENXP LLC, and shall dilute all of the New Common ~~Shares~~Interests (including New Common ~~Shares~~Interests distributed as part of the Rights Offering and the New Common Interests to be issued upon the exercise of the Noteholder Warrants, if any) contemplated to be issued by the Plan. The maximum total aggregate amount of the New Common ~~Shares~~Interests of Reorganized ENXP LLC that may be distributed to management under the Management Incentive Plan may not be increased absent the consent of the Requisite Supermajority Consenting Secured Lenders.

Section 5.22 Employee Benefit Plans

As, and subject to the occurrence, of the Effective Date, all employee compensation and benefit plans, policies and programs of the Debtors applicable generally to their employees, including agreements and programs subject to section 1114 of the Bankruptcy Code, as in effect on the Effective Date, including, without limitation, all savings plans, retirement plans, health care plans, disability plans, severance benefit plans, incentive plans, and life, accidental death, and dismemberment insurance plans and workers' compensation programs, shall be deemed to be, and shall be treated as though they are, executory contracts that are assumed under the Plan by the Reorganized Debtors, and the Debtors' obligations under such agreements and programs shall survive the Effective Date of the Plan, without prejudice to the Reorganized Debtors' rights under applicable ~~nonbankruptcy~~non-bankruptcy law to modify, amend, or terminate the foregoing arrangements, except for (i) such executory contracts or plans specifically rejected pursuant to the Plan (to the extent such rejection does not violate section 1114 of the Bankruptcy Code) and (ii) such executory contracts or plans that have previously been terminated or rejected, pursuant to a Final Order, or specifically waived by the beneficiaries of such plans, contracts or programs.

Section 5.23 Exclusivity Period

The Debtors shall retain the exclusive right to amend or modify this Plan, and to solicit acceptances of any amendments to or modifications of this Plan, through and until the earlier of (i) the Effective Date or (ii) the expiration of the Debtors' exclusive period to solicit acceptances of this Plan under Bankruptcy Code § 1121(d).

Section 5.24 Effectuating Documents

The chairman of the board of directors, president, chief financial officer, manager, or any other appropriate officer of the Debtors or, after the Effective Date, the Reorganized Debtors shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan. The secretary of the Debtors, or, after the Effective Date, of the Reorganized Debtors shall be authorized to certify or attest to any of the foregoing actions.

Section 5.25 Exemption from Certain Transfer Taxes

Pursuant to Bankruptcy Code § 1146(a), the issuance, transfer, or exchange of a security (including the New Common ~~Shares~~Interests and Noteholder Warrants), or the making or

delivery of an instrument of transfer, including any transfers effected under this Plan, from the Debtors to the Reorganized Debtors, or any other Person or Entity pursuant to this Plan, as applicable, may not be taxed under any law imposing a stamp tax or similar tax, and the sale and/or Confirmation Order shall direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

Section 5.26 Dissolution of Creditors Committee

The Creditors Committee shall be automatically dissolved on the ~~Confirmation~~Effective Date and, on or as soon as practicable after the ~~Confirmation~~Effective Date, each member (including each officer, director, employee or agent thereof) of the Creditors Committee and each~~ Professional retained by the~~ Creditors Committee Professional shall be released and discharged from all rights, duties, responsibilities and obligations arising from, or related to, the Debtors, their membership on the Creditors Committee, the Plan or these Chapter 11 Cases, except with respect to any matters concerning any Administrative Expense Claims held or asserted by ~~any Professional retained by the~~a Creditors Committee Professional.

Section 5.27 Withholding and Reporting Requirements

In connection with the Plan and all instruments issued in connection therewith and distributions thereon, the Reorganized Debtors and the Disbursing Agent shall comply with all withholding and reporting requirements imposed by any United States federal, state, local, or non-U.S. taxing authority and all distributions hereunder shall be subject to any such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors and the Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the ~~distribution~~distributions to be made under the Plan to generate sufficient funds to pay applicable withholding taxes and withholding ~~distribution~~distributions pending receipt of information necessary or appropriate to facilitate such distributions.

With respect to any Person from whom a tax identification number, certified tax identification number or other tax information required by law has not been received by the Disbursing Agent within thirty (30) days from the date of such request (the "Initial Request"), the Disbursing Agent may, at its option, withhold the amount required to such Person and decline to make such distribution until the information is received. Failure of any Person to provide the information requested within six months of the Initial Request shall result in the forfeit of the affected distribution and the treatment of said distribution as Unclaimed Property, pursuant to Section 6.03 of this Plan.

Section 5.28 Determination of Tax Filings and Taxes

For all taxable periods ending on or prior to, or including, the Effective Date, ENXP LLC shall prepare and file (or cause to be prepared and filed) on behalf of the ENXP Group, all group tax returns, reports, certificates, forms or similar statements or documents (collectively, "Group Tax Returns") and all separate tax returns of ENXP required to be filed or that ENXP LLC

otherwise deems appropriate, including the filing of amended Group Tax Returns or requests for refunds. ENXP shall not file or amend any tax returns for ENXP itself or the ENXP Group for any taxable periods (or portions thereof) described in the first sentence of this ~~clause (a)~~Section 5.28 without ENXP LLC's prior written consent.

~~Accordingly,~~ ENXP LLC is hereby appointed, pursuant to section 1123(b)(3)(B) of the Bankruptcy Code, to handle ~~all of the ENXP's~~ tax matters, including without limitation, the filing of all tax returns, and the handling of tax audits and proceedings, of the ENXP Group. Without limiting the generality of the foregoing, if requested by ENXP LLC, ENXP shall promptly execute or cause to be executed and filed any tax returns or other tax filings of ENXP or the ENXP Group submitted by ENXP LLC to ENXP for execution or filing. Moreover, ENXP shall execute on or prior to the Effective Date a power of attorney authorizing ENXP LLC to correspond, sign, collect, negotiate, settle and administer tax payments and Group Tax Returns ~~for the taxable periods described in Section _____ hereof~~.

Each of the Debtors shall cooperate fully with each other regarding the implementation of this Section ~~_____~~5.28 (including the execution of appropriate powers of attorney) and shall make available to the other as reasonably requested all information, records and documents relating to taxes governed by this Section ~~_____~~5.28 until the expiration of the applicable statute of limitations or extension thereof or at the conclusion of all audits, appeals or litigation with respect to such taxes.

~~The~~ ENXP LLC shall have the right to request an expedited determination of the tax liability, if any, of the Reorganized Debtors (including ENXP) under section 505(b) of the Bankruptcy Code with respect to any tax returns filed, or to be filed, for any and all taxable periods ending after the Commencement Date through the Effective Date.

If ENXP receives written notice from a taxing authority of any pending examination, claim, settlement, proposed adjustment or related matters with respect to taxes, it shall promptly notify ENXP LLC in writing. ENXP LLC shall have the sole right, at its expense, to control, conduct, compromise and settle any tax contest, audit or administrative or court proceeding relating to any liability for taxes of ENXP and the ENXP Group. With respect to any such proceeding and with respect to the preparation and filing of any tax returns of ENXP or the ENXP Group, ENXP LLC may act in its own self-interest and in the interest of its subsidiaries and affiliates, without regard to any adverse consequences to ENXP.

To the extent permitted by law, ENXP shall designate ENXP LLC as the "substitute agent" (within the meaning of Treasury Regulation Section 1.1502-77) for the ENXP Group in accordance with Treasury Regulation Section 1.1502-77, as amended or supplemented, and any comparable provision under state or local law, with respect to all taxable periods ending on or before, or including, the Effective Date.

ENXP LLC shall be entitled to the entire amount of any refunds and credits (including interest thereon) with respect to or otherwise relating to any taxes of the ENXP Group, including for any taxable period ending on or prior to, or including, the Effective Date. ENXP shall promptly notify ENXP LLC of the receipt of any such refunds or credits and shall transfer any

such refunds to ENXP LLC by wire transfer or otherwise in accordance with written instructions provided by ENXP LLC.

ARTICLE VI

PROVISIONS GOVERNING DISTRIBUTIONS GENERALLY

Section 6.01 Disbursing Agent

(a) Plan Distributions. Except as otherwise provided herein, all distributions under the Plan, including the distribution of the New Common ~~Shares~~Interests and the Noteholder Warrants shall be made by the Disbursing Agent(s) on the Effective Date or as soon as practicable thereafter. To the extent the Disbursing Agent is the Reorganized Debtors or the Creditor Trustee (in respect of the Creditor Trust Assets), the Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

Section 6.02 Method of Cash Distributions

Any Cash payment to be made pursuant to this Plan may be made by Cash, draft, check, wire transfer, or as otherwise required or provided in any relevant agreement or applicable law at the option of and in the sole discretion of the Debtors ~~or~~, the Reorganized Debtors or Creditor Trustee, as applicable.

Section 6.03 Delivery of Distributions

Plan Distributions shall be made by the Disbursing Agent (a) at the Holder's last known address, or (b) at the address in any written notice of address change delivered to the Disbursing Agent. If any Holder's Plan Distribution is returned as undeliverable, no further Plan Distributions to such Holder shall be made, unless and until the Disbursing Agent is notified of such Holder's then current address, at which time all missed Plan Distributions shall be made to such Holder without interest. Amounts in respect of undeliverable Plan Distributions made through the Disbursing Agent shall be returned to the Reorganized Debtors or Creditor Trustee, as applicable, until such Plan Distributions are claimed. All claims for undeliverable Plan Distributions must be made on or before the first anniversary of the Effective Date, after which date all Cash in respect of such forfeited Plan Distributions, including interest accrued thereon (the "Unclaimed Property"), if any, shall revert to the Reorganized Debtors, *provided, however*, that all Unclaimed distributions in respect of Creditor Trust Assets shall be returned to the Creditor Trust to be distributed in accordance with the terms of the Creditor Trust Agreement.

Section 6.04 Failure to Negotiate Checks

Checks issued in respect of distributions under this Plan shall be null and void if not negotiated within sixty (60) days after the date of issuance. The Disbursing Agent shall hold any amounts returned in respect of such non-negotiated checks. The Holder of an Allowed Claim with respect to which such check originally was issued shall make requests for reissuance for any such check directly to the Disbursing Agent. All amounts represented by any voided check will be held until the later of one (1) year after (x) the Effective Date or (y) the date that a

particular Claim is Allowed by Final Order, and all requests for reissuance by the Holder of the Allowed Claim in respect of a voided check are required to be made before such date. Thereafter, all such amounts shall be deemed to be Unclaimed Property, and all Claims in respect of void checks and the underlying distributions shall be forever barred, estopped and enjoined from assertion in any manner against the Reorganized Debtors, Creditor Trust and the Disbursing Agent, as applicable.

Section 6.05 Fractional Dollars

Notwithstanding any other provision of this Plan, Cash distributions of fractions of dollars will not be made; rather, whenever any payment of a fraction of a dollar would be called for, the actual payment made shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded ~~down~~up.

Section 6.06 Allocation of Payments

In the case of distributions with respect to holders of Claims in Classes 3 through 6 pursuant to this Plan, the amount of any Cash and the fair market value of any other consideration received by the holder of such Claim will be allocable first to the principal amount of such Claim (as determined for federal income tax purposes) and then, to the extent of any excess, the remainder of the Claim.

Section 6.07 De Minimis Distributions

No Cash payment of less than twenty-five ($25.00) dollars shall be made to the Holder of any Claim or Interest on account of its Allowed Claim or Allowed Interest.

Section 6.08 Setoffs

Except for any Claim that is Allowed in an amount set forth in this Plan, the Debtors ~~or~~, the Reorganized Debtors, or Creditor Trustee (but only with respect to the Assigned Estate Claims) may, but shall not be required to, set off against any Claims and the payments or distributions to be made pursuant to this Plan in respect of such Claims, any and all debts, liabilities and claims of every type and nature whatsoever that the Debtors may have against the Holder of any such Claim. If the Debtors or Creditor Trustee do not setoff their claims, no waiver or release by the Debtors of any such claims shall be deemed to have occurred, and all such claims shall be reserved for and retained by the Reorganized Debtors.

Section 6.09 Unclaimed Distributions of New Common ~~Shares~~Interests or Noteholder Warrants

Any Distribution of New Common ~~Shares~~Interests or Noteholder Warrants under the Plan that is unclaimed after six months after it has been delivered (or attempted to be delivered) shall be retained by the Reorganized Debtors, notwithstanding any state or other escheat or similar laws to the contrary, and the entitlement by the Holder of such Allowed Claim to such Distribution or any subsequent Distribution on account of such Allowed Claim shall be extinguished and forever barred.

Section 6.10 Fractional New Common ~~Shares~~Interests

Notwithstanding any other provision in the Plan to the contrary, no fractional units of New Common ~~Shares~~Interests or Noteholder Warrants shall be issued or distributed under the Plan. Whenever any Distribution of a fraction of a unit of New Common ~~Shares~~Interests or Noteholder Warrants would otherwise be required under the Plan, the actual Distribution shall reflect a rounding of such fraction to the nearest whole unit (up or down), with half units or less being rounded down and fractions in excess of a half of a unit being rounded up. No consideration will be provided in lieu of fractional units that are rounded down. Fractional units that are not distributed in accordance with this Section 6.10 shall be cancelled.

Section 6.11 Distribution Record Date

The Distribution Record Date shall be the ~~March 14, 2016.~~date of the entry of the Confirmation Order. On such date, all transfer ledgers, transfer books, registers and any other records maintained by the designated transfer agents with respect to ownership of any Claims or Interests will be closed and, for purposes of this Plan, there shall be no further changes in the record holders of such Claims or Interests. The Debtors ~~or~~, the Reorganized Debtors, or Creditor Trustee, as applicable, shall have no obligation to recognize the transfer of any Claims or Interests occurring after the Distribution Record Date, and will be entitled for all purposes to recognize and deal only with the Holder of any Claim or Interests as of the close of business on the Distribution Record Date, as reflected on such ledgers, books, registers or records.

ARTICLE VII

EXECUTORY CONTRACTS, UNEXPIRED LEASES, AND OTHER AGREEMENTS

Section 7.01 Assumption/Rejection

All executory contracts and unexpired leases not expressly rejected shall be deemed assumed pursuant to the Plan. The Plan Supplement shall contain (a) a schedule of executory contracts and unexpired leases to be assumed by the Debtors, including proposed Cure Costs (the "Assumed Contract Schedule"); and (b) a schedule of executory contracts and unexpired leases to be rejected by the Debtors as of the Effective Date (the "Rejected Contract Schedule"), determined by the Debtors in consultation with the Requisite Majority Consenting Secured Lenders.

Counterparties to the contracts on the Assumed Contract Schedule shall have until the fourteenth (14th) day after the Effective Date to file an objection with the Bankruptcy Court with respect to the proposed Cure Costs or be forever barred from seeking any amounts exceeding the amounts on the Assumed Contract Schedule from the Debtors or the Reorganized Debtors and from filing any statutory lien against the Reorganized Debtors or their properties for such amounts. Unless there is a dispute as to Cure Costs, on the fourteenth (14th) day after the Effective Date, the executory contracts and unexpired leases identified in the Assumed Contract Schedule shall be assumed by the Debtors and vest in and be fully enforceable by the Reorganized Debtors or an Affiliate of the Reorganized Debtors, as designated by the Reorganized Debtors. Additionally, on the fourteenth (14th) day after the Effective Date, and to the extent permitted by applicable law, all of the Debtors' executory contracts and unexpired

leases that are not listed on the Rejected Contract Schedule will be assumed irrespective of whether they are listed on the Assumed Contract Schedule. All executory contracts and unexpired leases identified on the Rejected Contract Schedule shall be deemed rejected as of the Effective Date.

The Debtors shall notify all counterparties to contracts on the Assumed Contract Schedule and the Rejected Contract Schedule of the filing of such Schedules and shall provide notice of such Schedules on the Debtors' restructuring website available at ~~https://cases.primeclerk.com/enxp~~https://cases.primeclerk.com/ENXP, and such notice shall be deemed good and sufficient notice for the purposes of section 365 of the Bankruptcy Code and otherwise.

Notwithstanding the foregoing, the Debtors may alter, amend, modify or supplement the list of executory contracts or unexpired leases identified in the Assumed Contract Schedule and/or the Rejected Contract Schedule at any time prior to the Effective Date by filing a revised Assumed Contract Schedule and/or Rejected Contract Schedule with the Bankruptcy Court. Counterparties to the contracts on the revised Assumed Contract Schedule shall have fourteen (14) days from the Effective Date to file an objection with the Bankruptcy Court with respect to the proposed Cure Costs or be forever barred from seeking any amounts exceeding the amounts on the revised Assumed Contract Schedule from the Debtors or the Reorganized Debtors.

The existing employment arrangements for the Debtors' management team will be replaced by new employment agreements on market terms for comparable transactions and comparably-sized companies with compensation no less than under the current employment arrangements and provided that such new employment agreements are acceptable to the Requisite Supermajority Consenting Secured Lenders. For the avoidance of doubt, any awards granted under the Management Incentive Program will be governed by such program and will not be subject to any provisions of the employment agreements.

Section 7.02 Cure Costs

The monetary amounts by which each of the executory contracts and unexpired leases is in default and shall be satisfied, pursuant to Bankruptcy Code § 365(b)(1), shall be the Cure Costs identified on the Assumed Contract Schedule; *provided, however*, if a counterparty to any of the executory contracts or unexpired leases identified on the Assumed Contract Schedule files with the Bankruptcy Court, and serves on the Debtors and their counsel, a written objection to the proposed Cure Cost prior to the Cure Cost Objection Deadline (as defined below), then the Cure Cost associated with such executory contract or unexpired lease will be determined as set forth below.

If an objection to a Cure Cost is timely filed with the Bankruptcy Court, then the Debtors or the Reorganized Debtors shall in good faith attempt to resolve the Cure Cost dispute. If the parties are unable to agree on a Cure Cost within ten (10) days after the filing of an objection, then the Debtors or the Reorganized Debtors, as applicable, may request that the Bankruptcy Court establish the applicable Cure Cost.

The Debtors shall satisfy the Cure Costs of assumed executory contracts and unexpired leases in Cash by the latest of (i) the Effective Date (or as soon thereafter as is practicable), (ii) in the event of a dispute regarding the Cure Cost, within thirty (30) days of the entry of an order of the Bankruptcy Court establishing such Cure Cost, or (iii) on such other terms as the parties to such executory contracts and unexpired leases may otherwise agree.

Notwithstanding the foregoing, in the event of a dispute regarding: (1) the ability of the Reorganized Debtors to provide "adequate assurance of future performance" (within the meaning of Bankruptcy Code § 365) under the contract or lease to be assumed or (2) any other matter pertaining to assumption (each, an "Assumption Dispute"), the Cure Costs required by Bankruptcy Code § 365(b)(1) shall be made following the entry of a Final Order resolving the Assumption Dispute and approving the assumption; *provided, however*, that in the event the Debtors or the Reorganized Debtors and the applicable non-Debtor party involved in any Assumption Dispute or any dispute regarding Cure Costs cannot otherwise consensually resolve such dispute, the Debtors or the Reorganized Debtors, as applicable, may reject the executory contract at issue pursuant to Bankruptcy Code § 365 rather than paying the disputed Cure Cost, by presenting a proposed order to the Bankruptcy Court for such rejection, without any other or further notice. In the event any executory contract is so rejected, the non-Debtor party thereto shall be entitled to file a Proof of Claim in accordance with the Bar Date Order, which Claim shall be classified pursuant to the Plan, but shall not be entitled to any other or further Claim or relief from either the Debtors or the Reorganized Debtors.

Section 7.03 Assumed Executory Contracts and Unexpired Leases

Each executory contract and unexpired lease that is assumed will include (a) all amendments, modifications, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affect such executory contract or unexpired lease; and (b) all executory contracts or unexpired leases and other rights appurtenant to the property, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, reciprocal easement agreements, vaults, tunnel or bridge agreements or franchises, and any other interests in real estate or rights in rem related to such premises, unless any of the foregoing agreements have been rejected pursuant to an order of the Bankruptcy Court or are the subject of a motion to reject filed on or before the Confirmation Date.

Amendments, modifications, supplements, and restatements to prepetition executory contracts and unexpired leases that have been executed by the Debtors during these Chapter 11 Cases shall not be deemed to alter the prepetition nature of the executory contract or unexpired lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

Section 7.04 Insurance Policies

Notwithstanding anything in this Plan to the contrary, all of the Debtors' insurance policies and any agreements, documents or instruments relating thereto, are treated as and deemed to be ~~Executory Contracts~~executory contracts under the Plan. On the Effective Date, the Debtors shall be deemed to have assumed all insurance policies and any agreements, documents, and instruments related thereto. Unless otherwise determined by the Bankruptcy Court prior to

the Effective Date, or agreed to by the parties thereto prior to the Effective Date, no payments shall be required to cure any defaults (if any) of the Debtors existing as of the Effective Date with respect to each such insurance policy or agreement, and to the extent that the Bankruptcy Court determines otherwise as to any such insurance policy or agreement, the Debtors' right to seek the rejection of such insurance policy or agreement or other available relief within thirty (30) days of such determination are fully reserved; *provided, however*, that the rights of any party that issues an insurance policy or agreement to object to such proposed rejection on any and all grounds are fully reserved. Nothing in the Plan, the Plan Documents, the Plan Supplement or the Confirmation Order, (a) alters, modifies or otherwise amends the terms and conditions of (or the coverage provided by) any of the insurance policies or agreements, (b) limits the Reorganized Debtors from asserting a right or claim to the proceeds of any insurance policy or agreement that insures any Debtor, was issued to any Debtor or was assumed by the Reorganized Debtors by operation of the Plan or (c) impairs, alters, waives, releases, modifies or amends any of the Debtors' or Reorganized Debtors' legal, equitable or contractual rights, remedies, claims, counterclaims, defenses or Causes of Action in connection with any of such insurance policies or agreements.

Section 7.05 Officers' and Directors' Indemnification Rights

Notwithstanding any other provisions of the Plan, the obligations of the Debtors to indemnify their directors, officers, managers and employees who served in such capacity during these Chapter 11 Cases and as of the day immediately prior the Confirmation Hearing, against any obligations, liabilities, costs or expenses pursuant to the articles of incorporation, bylaws or other organizational documents of the Debtors, applicable state law, specific agreement (including any employment agreement), or any combination of the foregoing, shall survive the Effective Date in all respects and be assumed by the Reorganized Debtors; provided, that notwithstanding anything in such documents or agreements to the contrary, the Reorganized Debtors will not indemnify (a) officers or directors of the Debtors or the Reorganized Debtors for any Claim or Cause of Action arising out of or relating to any act or omission of willful misconduct, gross negligence or fraud, or that is found to be a criminal act or (b) any Excluded Party.

Subsequent to the Effective Date, the Reorganized Debtors shall not terminate or otherwise reduce existing insurance coverage of any director or officer insurance policies (including any tail policy) in effect during these Chapter 11 Cases. To the extent permitted under applicable law, current directors and officers shall receive first access to available insurance and shall be indemnified by the Reorganized Debtors to the extent of such insurance.

Section 7.06 Claims Based on Rejection of Executory Contracts and Unexpired Leases

Unless otherwise provided by a Bankruptcy Court order, any Proofs of Claim asserting Claims arising from the rejection of the Debtors' executory contracts and unexpired leases pursuant to this Plan or otherwise must be filed no later than fourteen (14) days after the Confirmation Order is entered granting the rejection. Any Proofs of Claim arising from the rejection of the Debtors' executory contracts or unexpired leases that are not timely filed shall be disallowed automatically, forever barred from assertion, and shall not be enforceable against the

Debtors or the Reorganized Debtors without the need for any objection by any Person or further notice to or action, order, or approval of the Bankruptcy Court, and any Claim arising out of the rejection of the executory contract or unexpired lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Bankruptcy Schedules or a Proof of Claim to the contrary. All Allowed Claims arising from the rejection of the Debtors' executory contracts and unexpired leases shall be classified as General Unsecured Claims and shall be treated in accordance with the particular provisions of this Plan for such Claims; *provided, however*, that if the Holder of an Allowed Claim for rejection damages has an unavoidable security interest in any Collateral to secure obligations under such rejected executory contract or unexpired lease, the Allowed Claim for rejection damages shall be treated as an Other Secured Claim to the extent of the value of such Holder's interest in the Collateral, with the deficiency, if any, treated as a General Unsecured Claim.

Section 7.07 Reservation of Rights

Nothing contained in this Plan shall constitute an admission by the Debtors that any particular contract is in fact an executory contract or unexpired lease or that the Debtors have any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors or the Reorganized Debtors, as applicable, shall have thirty (30) days following entry of a Final Order resolving such dispute to alter and to provide appropriate treatment of such contract or lease.

Section 7.08 Assignment

Any ~~Executory Contract~~executory contract to be held by any of the Debtors or the Reorganized Debtors and assumed hereunder or otherwise in these Chapter 11 Cases, if not expressly assigned to a third party previously in these Chapter 11 Cases, will be deemed assigned to the applicable Reorganized Debtor pursuant to section 365 of the Bankruptcy Code. If an objection to a proposed assumption, assumption and assignment, or Cure Claim is not resolved in favor of the Debtors before the Effective Date, the applicable ~~Executory Contract~~executory contract may be designated by the Debtors (with the consent of the Requisite Majority Consenting Secured Lenders) or the Reorganized Debtors for rejection within five (5) days of the entry of the order of the Court resolving the matter against the Debtors. Such rejection shall be deemed effective as of the Effective Date.

Section 7.09 Nonoccurrence of Effective Date

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request by the Debtors to extend the deadline for assuming or rejecting unexpired leases pursuant to Bankruptcy Code § 365(d)(4).

Section 7.10 Payment of Fees and Expenses of Indenture Trustee

Prior to the Effective Date (and thereafter with respect to fees and expenses relating to post-Effective Date service under the Plan), the Debtors or Reorganized Debtors, as applicable, shall pay in Cash all reasonable and documented Indenture Trustee Fees in an amount of up to $175,000 without application or approval of the Bankruptcy Court and without any reduction to recoveries of the Holders of Convertible Notes Claims. For the avoidance of doubt, nothing

herein affects the Indenture Trustee's rights to exercise its Indenture Trustee Charging Lien against distributions to holders of the Convertible Notes.

The Indenture Trustee shall provide reasonably detailed invoices to the Debtors no later than five (5) days prior to the Effective Date (subject to redaction to preserve attorney-client privilege). If the Debtors dispute any requested Indenture Trustee Fees, the Debtors or Reorganized Debtors, as applicable, shall (i) pay the undisputed portion of the Indenture Trustee Fees, and (ii) notify the Indenture Trustee of such dispute. Upon such notification, the Indenture Trustee may assert its Indenture Trustee Charging Lien to pay the disputed portion of its Indenture Trustee Fees or submit such dispute for resolution by the Bankruptcy Court.

ARTICLE VIII

PROCEDURES FOR RESOLVING DISPUTED, CONTINGENT, AND UNLIQUIDATED CLAIMS

Section 8.01 Expunging of Certain Claims

Except as otherwise provided by a Bankruptcy Court order, all Claims marked or otherwise Scheduled as contingent, unliquidated or disputed on the Bankruptcy Schedules and for which no Proof of Claim has been timely filed, shall be deemed Disallowed Claims and such Claims shall be expunged as of the Effective Date without the necessity of filing a claim objection and without further notice to, or action, order or approval of the Bankruptcy Court.

Section 8.02 Objections to Claims

(a) Authority. The Debtors, and after the Effective Date, the Reorganized Debtors or the Creditor Trustee, as applicable, shall have authority to file objections to any Claim, and to withdraw any objections to any Claim that they may file. The Debtors, and after the Effective Date, the Reorganized Debtors or the Creditor Trustee, as applicable depending on which Person brought the objection, shall have authority to settle, compromise, or litigate to judgment any objections to any Claim. Except as set forth above, after the Effective Date, the Reorganized Debtors or the Creditor Trustee, as applicable, also shall have the right to resolve any Disputed Claim outside the Bankruptcy Court under applicable governing law.

(b) Objection Deadline. As soon as practicable, but no later than the Claim Objection Deadline, the Debtors, and after the Effective Date, the Reorganized Debtors or Creditor Trustee, as applicable, may file objections with the Bankruptcy Court and serve such objections on the Creditors holding the Claims to which such objections are made. Nothing contained herein, however, shall limit the right of the Reorganized Debtors or the Creditor Trustee, as applicable, to object to Claims, if any, filed or amended after the Claim Objection Deadline. The Claim Objection Deadline may be extended by the Bankruptcy Court upon motion by the Reorganized Debtors or the Creditor Trustee, as applicable.

Section 8.03 Estimation of Claims

The Debtors ~~or~~, the Reorganized Debtors or the Creditor Trustee, as applicable, as the case may be, may at any time request that the Court estimate, subject to 28 U.S.C. § 157, any

Disputed Claim pursuant to § 502(~~c~~e) of the Bankruptcy Code regardless of whether the Debtors or the Reorganized Debtors have previously objected to such Claim. The Bankruptcy Court will retain jurisdiction to estimate any Claim at any time, including during proceedings concerning any objection to such Claim. In the event that the Bankruptcy Court estimates any Disputed Claim, such estimated amount may constitute either (a) the Allowed amount of such Claim, (b) the estimate to be used by the Debtors in calculating potential Plan Distributions under the Plan, or (c) a maximum limitation on such Claim, as determined by the Bankruptcy Court. In the case of Claims arising from personal injury tort or wrongful death actions, the Bankruptcy Court may estimate such Claims for the purpose of confirming the Plan. If the estimated amount constitutes a maximum limitation on such Claim, the Debtors~~ or~~, the Reorganized Debtors or the Creditor Trustee, as applicable, may elect to object to ultimate payment of such Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not necessarily exclusive of one another.

Section 8.04 No Distributions Pending Allowance

Notwithstanding any other provision of this Plan, no payments or distributions shall be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by Final Order, and the Disputed Claim, or some portion thereof, has become an Allowed Claim.

Section 8.05 Distributions After Allowance

The Disbursing Agent shall make payments and distributions to each Holder of a Disputed Claim that has become an Allowed Claim in accordance with the provisions of this Plan governing the class of Claims to which such Holder belongs. As soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court allowing all or part of any Disputed Claim becomes a Final Order, the Disbursing Agent shall distribute to the Holder of such Claim the distribution (if any) that would have been made to such Holder on the Distribution Date had such Allowed Claim been allowed on the Distribution Date.

Section 8.06 Reduction of Claims

Notwithstanding the contents of the Bankruptcy Schedules or the Bankruptcy SOFAs, Claims listed therein as undisputed, liquidated and not contingent shall be reduced by the amount, if any, that was paid by the Debtors before the Effective Date, including pursuant to orders of the Bankruptcy Court. To the extent such payments are not reflected in the Bankruptcy Schedules or the Bankruptcy SOFAs, such Bankruptcy Schedules and Bankruptcy SOFA will be deemed amended and reduced to reflect that such payments were made. Nothing in this Plan shall preclude the Debtors from paying Claims that the Debtors were authorized to pay pursuant to any Final Order entered by the Bankruptcy Court before the Effective Date.

ARTICLE IX

CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THIS PLAN

Section 9.01 Conditions Precedent to Confirmation

The following are conditions precedent to the occurrence of Confirmation, each of which must be satisfied or waived:

(a) The Bankruptcy Court shall have entered an order, in form and substance reasonably acceptable to the Requisite Consenting Lenders, in consultation with the Debtors, approving the Disclosure Statement as containing adequate information within the meaning of section 1125 of the Bankruptcy Code, and such ~~Order~~order shall have become a Final Order;

(b) The Plan and all documents contained in the Plan Supplement, including any exhibits, schedules, amendments, modifications or supplements thereto, shall have been filed in substantially final form and in form and substance reasonably acceptable to the Requisite Consenting Lenders, in consultation with the Debtors and the Creditors Committee, but solely to the extent a document implicates the Creditor Trust or the treatment of Class 5 Claims; and

(c) The Confirmation Order shall include, to the fullest extent permitted by applicable law, a finding of fact that the Reorganized Debtors, Creditors Committee, the Consenting Secured Lenders, the Consenting Noteholders, and their respective Related Persons acted in good faith within the meaning of and with respect to all of the actions described in Bankruptcy Code § 1125(e) and are therefore not liable for the violation of any applicable law, rule, or regulation governing such actions.

Section 9.02 Conditions Precedent to the Effective Date of the Plan

The following are conditions precedent to Effective Date of the Plan, each of which must be satisfied or waived in accordance with Section 9.04 below:

(a) The RSA shall have been approved pursuant to a Final Order of the Bankruptcy Court and shall not have been terminated in accordance with its terms;

(b) The Debtors shall have negotiated, executed and delivered the Definitive Documentation with respect to the Plan and the Plan Supplement, in form and substance acceptable to the Debtors and the Requisite Consenting Lenders and otherwise consistent with the terms and conditions of the RSA;

(c) The Confirmation Order shall have been entered in form and substance reasonably acceptable to the Requisite Consenting Lenders, in consultation with the Debtors~~,~~ and Creditors Committee and such order shall have become a Final Order;

(d) On or simultaneously with the occurrence of the Effective Date, the Debtors shall have closed on the Exit Facility, which Exit Facility shall be in form and substance acceptable to the Debtors and the Requisite Supermajority Consenting Secured Lenders; and

(e) There shall not be in effect any (i) order entered by any court of any competent jurisdiction; (ii) order, opinion, ruling or other decision entered by any administrative or governmental entity or (iii) applicable law, staying, restraining, enjoining or otherwise prohibiting or making illegal the consummation of any of the transactions contemplated by this Plan.

Section 9.03 Substantial Consummation

On the Effective Date, this Plan shall be deemed to be substantially consummated under Bankruptcy Code §§ 1101 and 1127(b).

Section 9.04 Waiver of Conditions

Each of the conditions set forth in Section 9.01 or Section 9.02 hereof may be waived in whole or in part by written agreement of the Debtors and the Requisite Consenting Lenders. The failure to satisfy or waive any condition to Confirmation or the Effective Date may be asserted by the Debtors regardless of the circumstances giving rise to the failure of such condition to be satisfied.

Section 9.05 Revocation, Withdrawal, or Non-Consummation

The Debtors reserve the right to revoke or withdraw this Plan at any time before the Confirmation Date and to file subsequent plans of reorganization. If the Debtors revoke or withdraw this Plan, or if Confirmation or Consummation of this Plan does not occur, then (i) this Plan shall be null and void in all respects; (ii) any settlement or compromise embodied in this Plan (including the fixing, allowance or limiting to an amount certain of any Claim or Interests or Class of Claims or Interests), unless otherwise agreed to by the Debtors and any counterparty to such settlement or compromise, and any document or agreement executed pursuant to this Plan, shall be deemed null and void; and (iii) nothing contained in this Plan, and no acts taken in preparation for Consummation of this Plan, shall (a) constitute or be deemed to constitute a waiver or release of any Claims by or against, or any Interests in, the Debtors or any other Person, (b) prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors, or (c) constitute an admission of any sort by the Debtors or any other Person.

ARTICLE X

AMENDMENTS AND MODIFICATIONS

The Debtors may alter, amend, or modify this Plan, the Plan Documents, or any Exhibits thereto under Bankruptcy Code § 1127(a) at any time before the Confirmation Date; *provided, however*, that if any amendment, modification or supplement to this Plan (including the Plan Supplement or a modification described in this Article X of this Plan) or any Exhibit hereto or thereto is made without the prior written consent of the Requisite Consenting Lenders or Creditors Committee (solely with respect to the treatment of Class 5 and the Creditor Trust), then pursuant to the RSA, the Requisite Consenting Lenders or Creditors Committee, if applicable, shall have no obligation to support, or take any actions in support of, this Plan and may exercise any remedies thereunder. After the Confirmation Date and before "substantial consummation"

of this Plan, as defined in Bankruptcy Code § 1101(2), the Debtors may, under Bankruptcy Code § 1127(b), institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in this Plan, the Disclosure Statement, or the Confirmation Order, and such matters as may be necessary to carry out the purposes and effects of this Plan, so long as such proceedings do not materially adversely affect the treatment of Holders of Claims or Interests under this Plan; *provided, however*, that prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or order of the Bankruptcy Court.

Notwithstanding the foregoing, all modifications made to the Plan after solicitation of votes on the Plan has commenced, as reflected in the Confirmation Order, as set forth on the record at the Confirmation Hearing, or as reflected in the Plan, satisfy the requirements of Bankruptcy Code § 1127(a) and Bankruptcy Rule 3019, are not material or do not adversely affect the treatment and rights of the Holders of any Claims or Interests under the Plan who have not otherwise accepted such modifications. Accordingly, the Debtors have satisfied Bankruptcy Code § 1127(c) and Bankruptcy Rule 3019 with respect to the Plan, as modified; and Holders of Claims or Interests that have accepted or rejected the Plan (or are deemed to have accepted or rejected the Plan) are deemed to have accepted or rejected, as the case may be, the Plan as modified on the date of the Confirmation Order, pursuant to Bankruptcy Code § 1127(d) and Bankruptcy Rule 3019.

ARTICLE XI

RETENTION OF JURISDICTION

Under Bankruptcy Code §§ 105(a) and 1142, and notwithstanding entry of the Confirmation Order and occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, these Chapter 11 Cases and this Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

A. allow, disallow, determine, liquidate, classify, estimate or establish the priority or Secured or unsecured status of any Claim or Interest, including the resolution of any request for payment of any Administrative Expense Claim and the resolution of any objections to the Secured or unsecured status, priority, amount or allowance of Claims or Interests;

B. hear and determine all applications for compensation and reimbursement of expenses of Professionals under Bankruptcy Code §§ 327, 328, 330, 331, 503(b), 1103 or 1129(a)(4); *provided, however*, that from and after the Effective Date, the payment of fees and expenses of Professionals retained by the Reorganized Debtors shall be made in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court except as otherwise set forth in this Plan;

C. hear and determine all matters with respect to the assumption or rejection of any executory contract or unexpired lease to which the Debtors are a party or with respect to which the Debtors may be liable, including, if necessary, the nature or amount of any required cure or the liquidating of any claims arising therefrom;

D. hear and determine any and all adversary proceedings, motions, applications, and contested or litigated matters arising out of, under, or related to, these Chapter 11 Cases;

E. enter and enforce such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of this Plan and all contracts, instruments, releases, and other agreements or documents created in connection with this Plan, the Disclosure Statement, and/or the Confirmation Order;

F. hear and determine disputes arising in connection with the interpretation, implementation, Consummation, or enforcement of this Plan, including disputes arising under agreements, documents or instruments executed in connection with this Plan;

G. consider any modifications of this Plan, cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

H. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any entity with implementation, Consummation, or enforcement of this Plan, and/or the Confirmation Order;

I. enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified, or vacated;

J. hear and determine any matters arising in connection with or relating to this Plan, the Disclosure Statement, and/or the Confirmation Order or any other contract, instrument, release, or other agreement or document created in connection with this Plan, the Disclosure Statement, and/or the Confirmation Order;

K. enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings entered in connection with these Chapter 11 Cases or pursuant to this Plan;

L. recover all assets of the Debtors and property of their Estates, wherever located;

M. hear and determine matters concerning state, local, and federal taxes in accordance with Bankruptcy Code §§ 346, 505, and 1146;

N. hear and determine all disputes involving the existence, nature, or scope of the Debtors' discharge or any releases granted in this Plan;

O. hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under, or not inconsistent with, provisions of the Bankruptcy Code;

P. enter an order or final decree concluding or closing these Chapter 11 Cases; and

Q. enforce all orders previously entered by the Bankruptcy Court.

ARTICLE XII

EFFECT OF THIS PLAN ON CLAIMS AND ~~INTEREST~~INTERESTS

Section 12.01 Compromise and Settlements

Except for any Avoidance Actions (including the Assigned ~~Avoidance Actions~~Estate Claims) and Causes of Action of the Debtors that are being retained by the Reorganizing Debtors pursuant to Section 5.14 herein, pursuant to Bankruptcy Code § 363 and Bankruptcy Rule 9019, and in consideration for the classification, distribution and other benefits provided under this Plan, the provisions of this Plan shall constitute a good faith compromise and settlement of all Claims, Interests and controversies resolved pursuant to this Plan, including, without limitation, all Claims arising before the Petition Date, whether known or unknown, foreseen or unforeseen, asserted or unasserted, arising out of, relating to or in connection with the business or affairs of, or transactions with, the Debtors. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each of the foregoing compromises or settlements, and all other compromises and settlements provided for in this Plan, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best interests of the Debtors, their Estates, Creditors, Holders of Interests and other parties in interest, and are fair, equitable and within the range of reasonableness.

Section 12.02 Satisfaction of Claims

The rights afforded in this Plan and the treatment of all Claims and Interests herein shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Interests of any nature whatsoever against the Debtors or their Estates, assets, properties, or interests in property. Except as otherwise provided in this Plan and/or the Confirmation Order, on the Effective Date, all Claims against and Interests in the Debtors shall be satisfied, discharged, and released in full. None of the Debtors, Reorganized Debtors or their Affiliates, shall be responsible for any pre-Effective Date obligations of the Debtors, except those expressly assumed by the Debtors or the Reorganized Debtors, as applicable. Except as otherwise provided in this Plan and/or the Confirmation Order, all Persons and Entities shall be precluded and forever barred from asserting against the Debtors, Reorganized Debtors and their Affiliates, their respective successors or assigns, or their Estates, assets, properties, or interests in property any event, occurrence, condition, thing, or other or further Claims or Causes of Action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came into existence before the Effective Date, whether or not the facts of or legal bases therefore were known or existed before the Effective Date.

Section 12.03 Term of Injunction or Stays

Unless otherwise provided, all injunctions or stays arising under or entered during the Chapter 11 Cases under section 105 or 363 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the later of the Effective Date and the date indicated in the order providing for such injunction or stay. For the avoidance of doubt, the ~~*[NOL Trading Order]*~~*Order Approving Notification and Hearing Procedures for Certain Transfers of Equity Securities, Exercises of Warrants and Worthless Stock Deductions with respect to Equity Securities*, entered by the Bankruptcy Court on [~~Date]~~

(D.I March 18, 2016] [Dkt. No. [#])] (the "Trading Order"), shall remain enforceable beyond the Effective Date with respect to persons having "Beneficial Ownership" of ENXP Common Stock pursuant to the terms thereof. The Trading Order has no applicability or effect with respect to the trading of New Common SharesInterests on or after the Effective Date.

Section 12.04 Discharge of Liabilities

PURSUANT TO BANKRUPTCY CODE § 1141(D), AND EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THIS PLAN AND/OR THE CONFIRMATION ORDER, THE PLAN DISTRIBUTIONS, RIGHTS, AND TREATMENT THAT ARE PROVIDED IN THIS PLAN SHALL BE IN COMPLETE SATISFACTION, DISCHARGE, AND RELEASE, EFFECTIVE AS OF THE EFFECTIVE DATE, OF ALL CLAIMS, INTERESTS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER, INCLUDING ANY INTEREST ACCRUED ON CLAIMS OR INTERESTS FROM AND AFTER THE PETITION DATE, WHETHER KNOWN OR UNKNOWN, AGAINST, LIABILITIES OF, LIENS ON, OBLIGATIONS OF, RIGHTS AGAINST, AND INTERESTS IN, THE DEBTORS OR ANY OF THEIR ASSETS OR PROPERTIES, REGARDLESS OF WHETHER ANY PROPERTY SHALL HAVE BEEN DISTRIBUTED OR RETAINED PURSUANT TO THIS PLAN ON ACCOUNT OF SUCH CLAIMS AND INTERESTS, INCLUDING DEMANDS, LIABILITIES, AND CAUSES OF ACTION THAT AROSE BEFORE THE EFFECTIVE DATE, ANY LIABILITY (INCLUDING WITHDRAWAL LIABILITY) TO THE EXTENT SUCH CLAIMS OR INTERESTS RELATE TO SERVICES PERFORMED BY EMPLOYEES OF THE DEBTORS BEFORE THE EFFECTIVE DATE AND THAT ARISE FROM A TERMINATION OF EMPLOYMENT OR A TERMINATION OF ANY EMPLOYEE OR RETIREE BENEFIT PROGRAM, REGARDLESS OF WHETHER SUCH TERMINATION OCCURRED BEFORE OR AFTER THE EFFECTIVE DATE, ANY CONTINGENT OR NON-CONTINGENT LIABILITY ON ACCOUNT OF REPRESENTATIONS OR WARRANTIES ISSUED ON OR BEFORE THE EFFECTIVE DATE, AND ALL DEBTS OF THE KIND SPECIFIED IN BANKRUPTCY CODE §§ 502(G), 502(H), OR 502(I), IN EACH CASE WHETHER OR NOT: (A) A PROOF OF CLAIM OR INTEREST BASED UPON SUCH DEBT, RIGHT, CLAIM, OR INTEREST IS FILED OR DEEMED FILED PURSUANT TO BANKRUPTCY CODE § 501; (B) A CLAIM OR INTEREST BASED UPON SUCH CLAIM, DEBT, RIGHT, OR INTEREST IS ALLOWED PURSUANT TO BANKRUPTCY CODE § 502; OR (C) THE HOLDER OF SUCH A CLAIM OR INTEREST HAS ACCEPTED THIS PLAN. SUBJECT TO THE TERMS OF THIS PLAN AND/OR THE CONFIRMATION ORDER, ANY DEFAULT BY THE DEBTORS OR THEIR AFFILIATES WITH RESPECT TO ANY CLAIM OR INTEREST THAT EXISTED IMMEDIATELY BEFORE OR ON ACCOUNT OF THE FILING OF THESE CHAPTER 11 CASES SHALL BE DEEMED SATISFIED ON THE EFFECTIVE DATE. SUBJECT TO THE TERMS OF THIS PLAN, THE CONFIRMATION ORDER SHALL BE A JUDICIAL DETERMINATION OF THE DISCHARGE OF ALL CLAIMS AND INTERESTS SUBJECT TO THE EFFECTIVE DATE OCCURRING. SUBJECT TO THE TERMS OF THIS PLAN, THE CONFIRMATION ORDER SHALL BE A JUDICIAL DETERMINATION OF DISCHARGE OF ALL LIABILITIES OF THE DEBTORS, THEIR ESTATES, THE REORGANIZED DEBTORS AND ALL SUCCESSORS THERETO. AS PROVIDED IN

BANKRUPTCY CODE § 524, SUBJECT TO THE TERMS OF THIS PLAN AND/OR THE CONFIRMATION ORDER SUCH DISCHARGE SHALL VOID ANY JUDGMENT AGAINST THE DEBTORS, THEIR ESTATES, THE REORGANIZED DEBTORS OR ANY SUCCESSORS THERETO AT ANY TIME OBTAINED TO THE EXTENT IT RELATES TO A CLAIM OR INTEREST DISCHARGED, AND OPERATES AS AN INJUNCTION AGAINST THE PROSECUTION OF ANY ACTION AGAINST THE REORGANIZED DEBTORS OR THEIR PROPERTY AND ASSETS TO THE EXTENT IT RELATES TO A DISCHARGED CLAIM OR INTEREST.

Section 12.05 Releases

(a) **<u>Releases by the Debtors, their Estates and the Reorganized Debtors</u>. PURSUANT TO SECTION 1123(B) OF THE BANKRUPTCY CODE, AND EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THE PLAN OR THE CONFIRMATION ORDER, FOR GOOD AND VALUABLE CONSIDERATION, INCLUDING THE SERVICE OF THE PARTIES RELEASED HEREIN TO FACILITATE THE EXPEDITIOUS REORGANIZATION OF THE DEBTORS AND THE IMPLEMENTATION OF THE RESTRUCTURING CONTEMPLATED BY THE PLAN, ON AND AFTER THE EFFECTIVE DATE, ALL RELEASED PERSONS ARE DEEMED RELEASED AND DISCHARGED BY THE DEBTORS AND THEIR ESTATES AND THE REORGANIZED DEBTORS, FROM ANY AND ALL CLAIMS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR ASSERTABLE ON BEHALF OF THE DEBTORS OR THE REORGANIZED DEBTORS, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREINAFTER ARISING, IN LAW, EQUITY OR OTHERWISE, THAT THE DEBTORS, THEIR ESTATES, THE REORGANIZED DEBTORS, OR THEIR RESPECTIVE AFFILIATES WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT IN THEIR OWN RIGHT (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM OR INTEREST OR OTHER ENTITY, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE REORGANIZED DEBTORS, THESE CHAPTER 11 CASES, THE DEBTORS' RESTRUCTURING, THE DIP FACILITY, THE RSA AND RELATED AGREEMENTS, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR INTEREST THAT IS TREATED IN THE PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE DEBTORS AND ANY RELEASED PERSONS, THE RESTRUCTURING OF CLAIMS AND INTERESTS BEFORE OR DURING THESE CHAPTER 11 CASES, THE NEGOTIATION, FORMULATION OR PREPARATION OF THE PLAN AND DISCLOSURE STATEMENT, OR RELATED AGREEMENTS, INSTRUMENTS OR OTHER DOCUMENTS, UPON ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE CONFIRMATION DATE, OTHER THAN CLAIMS OR LIABILITIES ARISING OUT OF OR RELATING TO ANY ACT OR OMISSION OF A RELEASED PERSON OR A FORMER OFFICER OR DIRECTOR OF THE DEBTORS THAT CONSTITUTES WILLFUL MISCONDUCT (INCLUDING FRAUD) OR GROSS**

NEGLIGENCE. THE FOREGOING RELEASE SHALL NOT APPLY TO ANY EXPRESS CONTRACTUAL OR FINANCIAL OBLIGATIONS OR ANY RIGHT OR OBLIGATIONS ARISING UNDER OR THAT IS PART OF THE PLAN OR ANY AGREEMENTS ENTERED INTO PURSUANT TO, IN CONNECTION WITH, OR CONTEMPLATED BY THE PLAN.

(b) **Releases by Holders of Claims and Interests and Other Released Persons. EXCEPT AS OTHERWISE PROVIDED IN THE PLAN OR CONFIRMATION ORDER, AS OF THE EFFECTIVE DATE, EACH HOLDER OF A CLAIM OR AN INTEREST THAT VOTED IN FAVOR OF THE PLAN OR HAS NOT OPTED OUT OF THE RELEASES AS PROVIDED ON THE BALLOT, WHETHER SUCH HOLDER OF A CLAIM OR AN INTEREST VOTES TO REJECT THE PLAN, AND EACH RELEASED PERSON SHALL BE DEEMED TO HAVE CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND FOREVER, RELEASED AND DISCHARGED THE DEBTORS, THE REORGANIZED DEBTORS, AND THE RELEASED PERSONS FROM ANY AND ALL CLAIMS, INTERESTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED ON BEHALF OF THE DEBTORS, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY OR OTHERWISE, THAT SUCH ENTITY WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT (WHETHER INDIVIDUALLY OR COLLECTIVELY), BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THESE CHAPTER 11 CASES, THE DEBTORS' RESTRUCTURING, THE DIP FACILITY, THE RSA AND RELATED AGREEMENTS, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR INTEREST THAT IS TREATED IN THE PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE DEBTORS AND ANY RELEASED PERSONS, THE RESTRUCTURING OF CLAIMS AND INTERESTS BEFORE OR DURING THESE CHAPTER 11 CASES, THE NEGOTIATION, FORMULATION OR PREPARATION OF THE PLAN, THE DISCLOSURE STATEMENT, THE PLAN SUPPLEMENT OR RELATED AGREEMENTS, INSTRUMENTS OR OTHER DOCUMENTS, UPON ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT OR OTHER OCCURRENCE RELATING TO THE DEBTORS TAKING PLACE ON OR BEFORE THE CONFIRMATION DATE, OTHER THAN CLAIMS OR LIABILITIES ARISING OUT OF OR RELATING TO ANY ACT OR OMISSION OF A RELEASED PERSON THAT CONSTITUTES WILLFUL MISCONDUCT (INCLUDING FRAUD) OR GROSS NEGLIGENCE. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE RELEASE SET FORTH ABOVE DOES NOT RELEASE ANY POST-EFFECTIVE DATE OBLIGATIONS OF ANY PARTY UNDER THE PLAN OR ANY DOCUMENT, INSTRUMENT OR AGREEMENT (INCLUDING THOSE SET FORTH IN THE PLAN SUPPLEMENT) EXECUTED TO IMPLEMENT THE PLAN.**

(c) **Injunction Related to Releases. EXCEPT AS PROVIDED IN THIS PLAN AND/OR THE CONFIRMATION ORDER, AS OF THE EFFECTIVE DATE, (I) ALL PERSONS THAT HOLD, HAVE HELD, OR MAY HOLD A CLAIM OR ANY OTHER**

OBLIGATION, SUIT, JUDGMENT, DAMAGES, DEBT, RIGHT, REMEDY, CAUSE OF ACTION OR LIABILITY OF ANY NATURE WHATSOEVER, OR ANY INTEREST OR OTHER RIGHT OF A HOLDER OF AN EQUITY SECURITY OR OTHER OWNERSHIP INTEREST, RELATING TO THE DEBTORS OR THE REORGANIZED DEBTORS OR ANY OF THEIR RESPECTIVE ASSETS, PROPERTY AND ESTATES, THAT IS RELEASED PURSUANT TO THIS SECTION ~~12.04~~12.05 OF THIS PLAN, (II) ALL OTHER PARTIES IN INTEREST, AND (III) EACH OF THE RELATED PERSONS OF EACH OF THE FOREGOING ENTITIES, ARE, AND SHALL BE, PERMANENTLY, FOREVER AND COMPLETELY STAYED, RESTRAINED, PROHIBITED, BARRED AND ENJOINED FROM TAKING ANY OF THE FOLLOWING ACTIONS, WHETHER DIRECTLY OR INDIRECTLY, DERIVATIVELY OR OTHERWISE, ON ACCOUNT OF OR BASED ON THE SUBJECT MATTER OF SUCH DISCHARGED CLAIMS OR OTHER OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEBTS, RIGHTS, REMEDIES, CAUSES OF ACTION OR LIABILITIES, AND OF ALL INTERESTS OR OTHER RIGHTS OF A HOLDER OF AN EQUITY SECURITY OR OTHER OWNERSHIP INTEREST: (I) COMMENCING, CONDUCTING OR CONTINUING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY SUIT, ACTION OR OTHER PROCEEDING (INCLUDING, WITHOUT LIMITATION, ANY JUDICIAL, ARBITRAL, ADMINISTRATIVE OR OTHER PROCEEDING) IN ANY FORUM; (II) ENFORCING, ATTACHING (INCLUDING, WITHOUT LIMITATION, ANY PREJUDGMENT ATTACHMENT), COLLECTING, OR IN ANY WAY SEEKING TO RECOVER ANY JUDGMENT, AWARD, DECREE, OR OTHER ORDER; (III) CREATING, PERFECTING OR IN ANY WAY ENFORCING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY LIEN; (IV) SETTING OFF, SEEKING REIMBURSEMENT OR CONTRIBUTIONS FROM, OR SUBROGATION AGAINST, OR OTHERWISE RECOUPING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY AMOUNT AGAINST ANY LIABILITY OR OBLIGATION OWED TO ANY PERSON DISCHARGED UNDER THIS SECTION ~~12.04~~12.05; AND (V) COMMENCING OR CONTINUING IN ANY MANNER, IN ANY PLACE OF ANY JUDICIAL, ARBITRATION OR ADMINISTRATIVE PROCEEDING IN ANY FORUM, THAT DOES NOT COMPLY WITH OR IS INCONSISTENT WITH THE PROVISIONS OF THIS PLAN AND/OR THE CONFIRMATION ORDER.

(d) **No Waiver.** Notwithstanding anything to the contrary contained in this Section ~~12.04~~12.05, the releases and injunctions set forth in this Section ~~12.04~~12.05 shall not, and shall not be deemed to, limit, abridge or otherwise affect the rights of the Debtors or the Reorganized Debtors to enforce, sue on, settle or compromise the rights, claims and other matters expressly retained by the Debtors or the Reorganized Debtors pursuant to this Plan and/or the Confirmation Order.

(e) **Bankruptcy Rule 3016 Compliance.** The Debtors' compliance with the formal requirements of Bankruptcy Rule 3016(c) shall not constitute an admission that this Plan provides for an injunction against conduct not otherwise enjoined under the Bankruptcy Code.

(f) **Integral to Plan.** Each of the injunctions provided in this Section ~~12.04~~12.05 is an integral part of this Plan and is essential to its implementation. Each party released under this

Section ~~12.04~~12.05 and any other Persons protected by the injunctions set forth in this Section ~~12.04~~12.05 shall have the right to independently seek the enforcement of such injunctions.

Section 12.06 Exculpation

THE RELEASED PERSONS SHALL NOT BE LIABLE FOR ANY CAUSE OF ACTION ARISING IN CONNECTION WITH OR OUT OF THE ADMINISTRATION OF THESE CHAPTER 11 CASES, THE PLANNING OF THESE CHAPTER 11 CASES, THE FORMULATION, NEGOTIATION OR IMPLEMENTATION OF THIS PLAN, THE GOOD FAITH SOLICITATION OF ACCEPTANCES OF THIS PLAN IN ACCORDANCE WITH BANKRUPTCY CODE § 1125(E), PURSUIT OF CONFIRMATION OF THIS PLAN, THE CONSUMMATION OF THIS PLAN, OR THE ADMINISTRATION OF THIS PLAN, EXCEPT FOR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AS DETERMINED BY A FINAL ORDER OF THE BANKRUPTCY COURT. ALL HOLDERS OF CLAIMS AND INTERESTS ARE ENJOINED FROM ASSERTING OR PROSECUTING ANY CLAIM OR CAUSE OF ACTION AGAINST ANY RELEASED PERSON FOR WHICH SUCH PARTY HAS BEEN EXCULPATED FROM LIABILITY PURSUANT TO THE PRECEDING SENTENCE.

Section 12.07 Recoupment

Except as provided in this Plan and/or the Confirmation Order any Holder of a Claim or Interest shall not be entitled to recoup any Claim or Interest against any Claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such Holder actually has performed such recoupment and provided notice thereof in writing to the Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or Interest or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

Section 12.08 Release of Liens

Except as otherwise provided in this Plan or in any contract, instrument, release, or other agreement or document created pursuant to this Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to this Plan and, in the case of a Secured Claim, satisfaction of the portion of the Secured Claim that is Allowed as of the Effective Date as set forth in this Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Debtors' Estates shall be fully released and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Debtors and their successors and assigns.

Section 12.09 Good Faith

As of the Confirmation Date, the Debtors shall be deemed to have solicited acceptances or rejections of this Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code.

Section 12.10 Protection ~~Against~~<u>against</u> Discriminatory Treatment

Consistent with § 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including ~~Governmental Units~~<u>governmental units</u>, shall not discriminate against the Reorganized Debtors or deny, revoke, suspend or refuse to renew a license, permit, charter, franchise or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors or another Entity with whom such Reorganized Debtors have been associated, solely because the Debtors have been debtors under chapter 11, have been insolvent before the commencement of these Chapter 11 Cases (or during these Chapter 11 Cases but before the Debtors are granted or denied a discharge) or have not paid a debt that is dischargeable in these Chapter 11 Cases.

Section 12.11 Rights of Defendants and Avoidance Actions

All rights, if any, of a defendant to assert a Claim arising from relief granted in an Avoidance Action (including the Assigned Avoidance Actions), together with the Reorganized Debtors' right to oppose such Claim are fully preserved. Any such Claim that is Allowed shall be entitled to treatment and distribution under this Plan as a General Unsecured Claim.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 13.01 Severability of Plan Provisions

If, before Confirmation, any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, at the request of the Debtors, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

Section 13.02 Successors and Assigns

The rights, benefits and obligations of any Person named or referred to in this Plan, including any Holder of a Claim, shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such entity.

Section 13.03 Binding Effect

This Plan shall be binding upon and inure to the benefit of the Debtors, all present and former Holders of Claims against and Interests in the Debtors, their respective successors and assigns and all other parties-in-interest in these Chapter 11 Cases.

Section 13.04 Notices

Any notice, request, or demand required or permitted to be made or provided under this Plan to or upon the Debtors, the Reorganized Debtors, or the RSA Creditor Parties shall be (i) in writing; (ii) served by (a) certified mail, return receipt requested, (b) hand delivery, (c) overnight delivery service, (d) first class mail, or (e) facsimile transmission; and (iii) deemed to have been duly given or made when actually delivered or, in the case of facsimile transmission, when received and telephonically confirmed, addressed as follows:

<u>If to the Debtors or Reorganized Debtors, as applicable</u>:

Energy & Exploration Partners
420 Throckmorton St., Suite 1200
Fort Worth, Texas 76102
Attn: Van Oliver
Facsimile: (817) 332-5001

With a copy to (which shall not constitute notice):

BRACEWELL LLP
1251 Avenue of the Americas
New York, New York 10020
Attn: Jennifer Feldsher
Facsimile: (212) 508-6101

-and-

BRACEWELL LLP
711 Louisiana, Suite 2300
Houston, TX 77002
Attn: William A. (Trey) Wood III
Facsimile: (713) 221-1212

<u>If to the Consenting Secured Lenders</u>:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
Attn: Matthew S. Barr and Charles M. Persons
Facsimile: (212) 310-8007

<u>If to the Consenting Noteholders</u>

Akin Gump Strauss Hauer & Feld LLP
Bank of America Tower
One Bryant Park
New York, NY 10036
Attn: Ira Dizengoff

Facsimile: (212) 872-1002

-and-

Akin Gump Strauss Hauer & Feld LLP
Robert S. Strauss Building
1333 New Hampshire Avenue, N.W.
Washington, DC 20036
Attn: Scott Alberino
Facsimile: (202) 887-4288

If to the Creditors Committee

Arent Fox LLP
1675 Broadway
New York, NY 10019
Attn: Robert M. Hirsh and George P. Angelich
Facsimile: (212) 484-3990

Section 13.05 Term of Injunctions or Stay

Unless otherwise provided in this Plan and/or Confirmation Order, all injunctions or stays provided for in these Chapter 11 Cases under Bankruptcy Code §§ 105 or 362 or otherwise, and in existence on the Confirmation Date (excluding any injunctions or stays contained in this Plan or Confirmation Order and in any order of the Bankruptcy Court concerning preservation of any net operating losses), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in this Plan and/or Confirmation Order shall remain in full force and effect in accordance with their terms.

Section 13.06 No Admissions

Notwithstanding anything herein to the contrary, nothing in this Plan shall be deemed as an admission by the Debtors with respect to any matter set forth herein, including liability on any Claim.

Section 13.07 Notice of the Effective Date

Within five (5) Business Days after the Effective Date, the Debtors shall file on the docket of the Bankruptcy Court a *Notice of Effective Date* stating that (i) all conditions to the occurrence of the Effective Date have been satisfied or waived with the consent of the Requisite Majority Consenting Secured Lenders; (ii) the Effective Date has occurred and specifying the date thereof for all purposes under this Plan; and (iii) setting forth the name, address and telephone number for the Reorganized Debtors.

Section 13.08 Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules), the laws of the State of Texas, without giving effect to the

principles of conflicts of law thereof, shall govern the construction and implementation of this Plan and any agreements, documents, and instruments executed in connection with this Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control) as well as corporate governance matters with respect to the Debtors; *provided, however*, that corporate governance matters relating to the Debtors, the Reorganized Debtors, or their Affiliates as applicable, not organized under Texas law shall be governed by the laws of the state of organization of such entity.

Section 13.09 Plan Documents

The Plan Documents are incorporated herein and are a part of this Plan as set forth in full herein.

Section 13.10 Entire Agreement

This Plan and the Plan Documents set forth the entire agreement and understanding among the parties-in-interest relating to the subject matter hereof and supersede all prior discussions and documents.

ARTICLE XIV

CONFIRMATION REQUEST

The Debtors request Confirmation of this Plan under Bankruptcy Code § 1129. If any Impaired Class does not accept this Plan pursuant to Bankruptcy Code § 1126, the Debtors request Confirmation pursuant to Bankruptcy Code § 1129(b). In that event, the Debtors reserve the right to modify this Plan to the extent (if any) that Confirmation of this Plan under Bankruptcy Code § 1129(b) requires modification.

Dated: ~~February [#],~~March 15, 2016

Energy & Exploration Partners, Inc.

By: */s/ Hunt Pettit*

Name: B. Hunt Pettit

Title: Chief Executive Officer

EXHIBIT A

RIGHTS OFFERING PROCEDURES

[TO COME]

EXHIBIT B

BACKSTOP COMMITMENT LETTER

[TO COME]

Document comparison by Workshare Compare on Tuesday, March 15, 2016
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Description	DM-#5093613-v9-ENXP_-_Plan_of_Reorganization
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Style change	0
Format changed	0
Total changes	1012

EXHIBIT 2

BLACKLINE OF FIRST AMENDED DISCLOSURE STATEMENT AGAINST DISCLOSURE STATEMENT

William A. (Trey) Wood III
Texas Bar No. 21916050
BRACEWELL LLP
711 Louisiana, Suite 2300
Houston, Texas 77002
Telephone: (713) 223-2300
Facsimile: (713) 221-1212
Trey.Wood@bracewelllaw.com

Jennifer Feldsher (admitted *pro hac vice*)
BRACEWELL LLP
1251 Avenue of Americas
New York, New York 10020-1104
Telephone: (212) 508-6100
Facsimile: (212) 508-6101
Jennifer.Feldsher@bracewelllaw.com

COUNSEL FOR DEBTORS AND DEBTORS IN POSSESSION

IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

In re Energy & Exploration Partners, Inc., *et al.*, Debtors.[1]	Chapter 11 Case No. 15-44931 (RFN) (Jointly Administered)

DEBTORS' FIRST AMENDED DISCLOSURE STATEMENT PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE

IMPORTANT DATES

Voting Deadline: [April 15, 2016], at 4:00 p.m. prevailing Central Time.
Subscription Deadline: [April 15, 2016], at 4:00 p.m. prevailing Central Time.
Confirmation Objection Deadline: [April 15, 2016], at 4:00 p.m. prevailing Central Time.
Confirmation Hearing: [April 21, 2016], at 9:30 a.m. prevailing Central Time.

Dated: ~~February 10~~March 15, 2016

THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. ACCORDINGLY, THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT.

[1] The Debtors in these chapter 11 cases are: Energy & Exploration Partners, Inc. (9466); Energy & Exploration Partners, LLC (8621); Energy & Exploration Partners Operating GP, LLC (4266); and Energy & Exploration Partners Operating, LP (4049). The Debtors' main corporate and mailing address for purposes of these chapter 11 cases is: Energy & Exploration Partners, 420 Throckmorton St., Suite 1200, Fort Worth, TX 76102.

DISCLAIMER

UNLESS OTHERWISE DEFINED IN THIS DISCLOSURE STATEMENT, CAPITALIZED TERMS USED HEREIN HAVE THE MEANINGS ASCRIBED TO THEM IN THE DEBTORS' FIRST AMENDED JOINT PLAN OF REORGANIZATION DATED FEBRUARY 10MARCH 15, 2016 (AS MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, THE "PLAN") UNDER CHAPTER 11 OF THE BANKRUPTCY CODE.

PURSUANT TO SECTION 1128 OF TITLE 11 OF THE UNITED STATES CODE (THE "BANKRUPTCY CODE"), A CONFIRMATION HEARING WILL BE HELD WITH RESPECT TO THE PLAN PROPOSED BY ENERGY & EXPLORATION PARTNERS, INC. AND ITS AFFILIATED DEBTORS AND DEBTORS IN POSSESSION (COLLECTIVELY, THE "DEBTORS") ON **[APRIL 21, 2016]**, AT [**9:30 A.M.] (PREVAILING CENTRAL TIME**), BEFORE THE HONORABLE RUSSELL F. NELMS, IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS (THE "BANKRUPTCY COURT"), ELDON B. MAHON U.S. COURTHOUSE, 501 W. 10TH STREET, ROOM 204, FORT WORTH, TEXAS 76102 (THE "CONFIRMATION HEARING"). OBJECTIONS, IF ANY, TO CONFIRMATION OF THE PLAN MUST BE FILED AND SERVED ON OR BEFORE [**APRIL 15, 2016 AT 4:00 P.M.]. (PREVAILING CENTRAL TIME).)].** THE CONFIRMATION HEARING MAY BE ADJOURNED FROM TIME TO TIME WITHOUT FURTHER NOTICE.

THIS DISCLOSURE STATEMENT IS BEING DISTRIBUTED FOR THE PURPOSE OF SOLICITING ACCEPTANCES OF THE PLAN FROM THE PARTIES ENTITLED TO VOTE ON THE PLAN. A COPY OF THE PLAN IS ATTACHED AS **EXHIBIT A** HERETO. ALL HOLDERS OF CLAIMS AGAINST OR INTERESTS IN THE DEBTORS THAT ARE ENTITLED TO VOTE ON THE PLAN ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. THE PROPONENTS INTEND TO SEEK TO CONFIRM THE PLAN AND TO CAUSE THE EFFECTIVE DATE OF THE PLAN TO OCCUR PROMPTLY AFTER CONFIRMATION OF THE PLAN. HOWEVER, THERE CAN BE NO ASSURANCE AS TO WHETHER OR WHEN THE CONFIRMATION OR THE EFFECTIVE DATE OF THE PLAN ACTUALLY WILL OCCUR.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016(b) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE (THE "BANKRUPTCY RULES") AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NONBANKRUPTCY LAW. THIS DISCLOSURE STATEMENT HAS BEEN NEITHER REVIEWED NOR APPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), OR BY ANY STATE SECURITIES COMMISSION OR SIMILAR PUBLIC, GOVERNMENTAL, OR REGULATORY AUTHORITY, AND NEITHER THE SEC NOR ANY OTHER SUCH STATE AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE INFORMATION IN THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO SOLICITATION OF VOTES TO ACCEPT

THE PLAN MAY BE MADE EXCEPT PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER CAUSES OF ACTION OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT WILL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, OR AS A STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT WILL NOT BE ADMISSIBLE IN ANY BANKRUPTCY OR NONBANKRUPTCY PROCEEDING INVOLVING THE DEBTORS OR ANY OTHER PARTY (OTHER THAN IN CONNECTION WITH APPROVAL OF THIS DISCLOSURE STATEMENT OR CONFIRMATION OF THE PLAN), NOR WILL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST OR INTERESTS IN THE DEBTORS. YOU ARE ADVISED TO OBTAIN INDEPENDENT EXPERT ADVICE ON SUCH SUBJECTS.

THE DISTRIBUTION OF NEW COMMON ~~SHARES~~INTERESTS AND NOTEHOLDER WARRANTS TO HOLDERS OF CERTAIN CLAIMS UNDER THE PLAN HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (AS AMENDED, THE "SECURITIES ACT") OR SIMILAR STATE SECURITIES OR "BLUE SKY" LAWS. THE DISTRIBUTION IS BEING MADE IN RELIANCE ON THE EXEMPTION FROM REGISTRATION SPECIFIED IN SECTIONS 1125 AND 1145 OF THE BANKRUPTCY CODE, AS APPLICABLE. NONE OF THE NEW COMMON ~~SHARES~~INTERESTS OR NOTEHOLDER WARRANTS TO BE ISSUED UNDER OR IN CONNECTION WITH THE PLAN HAVE BEEN APPROVED OR DISAPPROVED BY THE SEC OR BY ANY STATE SECURITIES COMMISSION OR SIMILAR PUBLIC, GOVERNMENTAL, OR REGULATORY AUTHORITY.

THIS DISCLOSURE STATEMENT CONTAINS PROJECTED FINANCIAL INFORMATION REGARDING THE REORGANIZED DEBTORS AND CERTAIN OTHER FORWARD-LOOKING STATEMENTS, ALL OF WHICH ARE BASED ON VARIOUS ESTIMATES AND ASSUMPTIONS. THE DEBTORS' MANAGEMENT PREPARED THE PROJECTIONS WITH THE ASSISTANCE OF THEIR PROFESSIONALS. THE DEBTORS' MANAGEMENT DID NOT PREPARE THE PROJECTIONS IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("GAAP") OR INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") OR TO COMPLY WITH THE RULES AND REGULATIONS OF THE SEC OR ANY FOREIGN REGULATORY AUTHORITY.

THE PROJECTIONS AND FORWARD-LOOKING STATEMENTS HEREIN ARE SUBJECT TO INHERENT UNCERTAINTIES AND TO A WIDE VARIETY OF SIGNIFICANT BUSINESS, ECONOMIC, AND COMPETITIVE RISKS, INCLUDING, AMONG OTHERS, THOSE SUMMARIZED HEREIN. CONSEQUENTLY, ACTUAL EVENTS, CIRCUMSTANCES, EFFECTS, AND RESULTS MAY VARY SIGNIFICANTLY FROM THOSE INCLUDED IN OR CONTEMPLATED BY THE PROJECTED FINANCIAL INFORMATION AND OTHER FORWARD-LOOKING STATEMENTS CONTAINED HEREIN. THEREFORE, THE PROJECTED FINANCIAL AND OTHER FORWARD-LOOKING STATEMENTS ARE NOT NECESSARILY INDICATIVE OF THE FUTURE FINANCIAL CONDITION OR RESULTS OF OPERATIONS OF THE REORGANIZED DEBTORS AND SHOULD NOT BE REGARDED AS

REPRESENTATIONS BY THE DEBTORS OR THE REORGANIZED DEBTORS, THEIR ADVISORS, OR ANY OTHER PERSONS THAT THE PROJECTED FINANCIAL CONDITION OR RESULTS CAN OR WILL BE ACHIEVED. NO INDEPENDENT ACCOUNTANTS HAVE COMPILED, REVIEWED, EXAMINED, OR PERFORMED ANY PROCEDURES WITH RESPECT TO THE FINANCIAL PROJECTIONS AND THE LIQUIDATION ANALYSIS CONTAINED HEREIN, NOR HAVE THEY EXPRESSED ANY OPINION OR ANY OTHER FORM OF ASSURANCE AS TO SUCH INFORMATION OR ITS ACHIEVABILITY.

THE PROJECTIONS SET FORTH HEREIN ARE PUBLISHED SOLELY FOR PURPOSES OF THIS DISCLOSURE STATEMENT. THE PROJECTIONS ARE QUALIFIED IN THEIR ENTIRETY BY THE DESCRIPTION THEREOF CONTAINED IN THIS DISCLOSURE STATEMENT. THERE CAN BE NO ASSURANCE THAT THE ASSUMPTIONS UNDERLYING THE FINANCIAL PROJECTIONS WILL PROVE CORRECT OR THAT THE DEBTORS' OR REORGANIZED DEBTORS' ACTUAL RESULTS WILL NOT DIFFER MATERIALLY FROM THE RESULTS PROJECTED IN THIS DISCLOSURE STATEMENT. SOME ASSUMPTIONS INEVITABLY WILL BE INCORRECT; MOREOVER, EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THE DEBTORS PREPARED THE PROJECTIONS MAY BE DIFFERENT FROM THOSE ASSUMED, OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND THUS THE OCCURRENCE OF THESE EVENTS MAY AFFECT FINANCIAL RESULTS IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. THE PROJECTIONS MAY NOT BE RELIED UPON AS A GUARANTY OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR.

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN EVENTS IN THE DEBTORS' CHAPTER 11 CASES AND CERTAIN DOCUMENTS RELATED TO THE PLAN THAT ARE ATTACHED HERETO OR HAVE BEEN OR WILL BE SEPARATELY FILED WITH THE BANKRUPTCY COURT. ALTHOUGH THE PROPONENTS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THE SUMMARIES DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH EVENTS. IN THE EVENT OF ANY CONFLICT, INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER SUCH DOCUMENTS, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN AND CONTROL FOR ALL PURPOSES.

EXCEPT AS OTHERWISE EXPRESSLY INDICATED, THE PORTIONS OF THIS DISCLOSURE STATEMENT DESCRIBING THE DEBTORS, THEIR BUSINESSES, PROPERTIES AND MANAGEMENT, AND THE PLAN, HAVE BEEN PREPARED FROM INFORMATION FURNISHED BY THE DEBTORS WITHOUT PROFESSIONAL COMMENT, OPINION OR VERIFICATION. EACH HOLDER OF A CLAIM OR INTEREST IS URGED TO INDEPENDENTLY INVESTIGATE ANY SUCH THE MATTERS HEREIN PRIOR TO RELIANCE.

CERTAIN OF THE MATERIALS CONTAINED IN THIS DISCLOSURE STATEMENT ARE TAKEN DIRECTLY FROM OTHER READILY ACCESSIBLE DOCUMENTS OR ARE DIGESTS OF OTHER DOCUMENTS. WHILE THE DEBTORS HAVE MADE EVERY EFFORT TO RETAIN THE MEANING OF SUCH OTHER DOCUMENTS OR PORTIONS THAT HAVE BEEN SUMMARIZED, THE DEBTORS URGE THAT ANY RELIANCE ON THE CONTENTS OF SUCH OTHER DOCUMENTS SHOULD DEPEND ON A THOROUGH REVIEW OF THE DOCUMENTS THEMSELVES. IN THE EVENT OF A DISCREPANCY BETWEEN THIS DISCLOSURE STATEMENT AND THE ACTUAL TERMS OF A DOCUMENT, THE ACTUAL TERMS OF SUCH DOCUMENT SHALL APPLY.

HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN MUST RELY ON THEIR OWN EVALUATION OF THE DEBTORS AND THEIR OWN ANALYSES OF THE TERMS OF THE PLAN IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN. IMPORTANTLY, PRIOR TO DECIDING WHETHER AND HOW TO VOTE ON THE PLAN, EACH HOLDER OF A CLAIM OR AN INTEREST IN A VOTING CLASS SHOULD REVIEW THE PLAN IN ITS ENTIRETY AND CONSIDER CAREFULLY ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT AND ANY EXHIBITS HERETO.

EXCEPT AS OTHERWISE SPECIFICALLY NOTED, THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED BY A CERTIFIED PUBLIC ACCOUNTANT AND HAS NOT NECESSARILY BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

NO STATEMENTS CONCERNING THE DEBTORS, THE VALUE OF THEIR ASSETS, OR THE VALUE OF ANY BENEFIT OFFERED TO THE HOLDER OF A CLAIM OR INTEREST IN CONNECTION WITH THE PLAN SHOULD BE RELIED UPON OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. IN ARRIVING AT YOUR DECISION, YOU SHOULD NOT RELY ON ANY REPRESENTATION OR INDUCEMENT MADE TO SECURE YOUR ACCEPTANCE OR REJECTION THAT IS CONTRARY TO INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, AND ANY SUCH ADDITIONAL REPRESENTATIONS OR INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR THE DEBTORS, BRACEWELL LLP, 1251 AVENUE OF THE AMERICAS, NEW YORK, NEW YORK 10020, ATTN: ~~JENNIFER FELDSHER~~JONATHAN LOZANO.

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A.	Plan of Reorganization
B.	Restructuring Support Agreement
C.	Map of Properties
D.	Organization Chart of ENXP and Its Subsidiaries
E.	Order Approving the Disclosure Statement and Establishing Procedures with Regard to Solicitation

THE DEBTORS HEREBY ADOPT AND INCORPORATE EACH EXHIBIT ANNEXED TO THIS DISCLOSURE STATEMENT BY REFERENCE AS THOUGH FULLY SET FORTH HEREIN.

INTRODUCTION

Energy & Exploration Partners, Inc. and its affiliated debtors and debtors in possession (collectively, the "Debtors") in the above captioned chapter 11 cases (the "Chapter 11 Cases") propose the plan of reorganization (as may be amended or supplemented from time to time, the "Plan") attached hereto as Exhibit A and described below under section 1121(a) of the Bankruptcy Code. As evidenced by that certain Restructuring Support Agreement (the "RSA"), attached hereto as Exhibit B, the Plan is supported by holders of approximately 93.8% of the Prepetition Secured Claims (as defined herein) and holders of approximately 78.8% of the Convertible Notes Claims (as defined herein). [The Plan is also supported by the Official Committee of Unsecured Creditors (the "Creditors Committee") which is a fiduciary for general unsecured creditors.] Although proposed jointly for administrative purposes, the Plan constitutes a separate Plan for each Debtor for the resolution of outstanding claims and ~~Interests~~interests pursuant to the Bankruptcy Code. The Debtors seek to consummate the restructuring on the proposed Effective Date of the Plan. Each Debtor is a proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code. Unless otherwise indicated in a particular class, the classification ~~of~~f claims and interests set forth in Article IV of the Plan shall be deemed to apply separately with respect to each Plan proposed by each Debtor, as applicable. The Plan does not contemplate substantive consolidation of any of the Debtors.

THE DEBTORS, THE CREDITORS COMMITTEE, APPROXIMATELY 93.8 PERCENT OF THE PREPETITION SECURED LENDERS, AND APPROXIMATELY 78.8 PERCENT OF THE NOTEHOLDERS SUPPORT THE PLAN.

THE DEBTORS BELIEVE THAT THE COMPROMISES CONTEMPLATED UNDER THE PLAN ARE FAIR AND EQUITABLE, MAXIMIZE THE VALUE OF THE DEBTORS' ESTATES, AND PROVIDE THE BEST RECOVERY TO CREDITORS. THE DEBTORS BELIEVE THIS IS THE BEST AVAILABLE ALTERNATIVE FOR COMPLETING THE CHAPTER 11 CASES.

RECOMMENDATION:

THE DEBTORS STRONGLY URGE CREDITORS TO VOTE TO ACCEPT THE PLAN.

ARTICLE I
SUMMARY OF PLAN

Section 1.01 Executive Summary

On December 7, 2015, the Debtors filed petitions for relief under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**"). Just over two months later, on February 10, 2016, the Debtors filed their proposed joint Plan. The Plan sets forth the manner in which ~~Claims~~claims against and ~~Interests~~interests in the Debtors will be treated following confirmation

of the Plan. This Disclosure Statement, submitted pursuant to section 1125 of the Bankruptcy Code for the purpose of soliciting votes to accept or reject the Plan, describes certain aspects of the Plan, the Debtors' business operations and financial projections, significant events occurring in the Debtors' Chapter 11 Cases, and related matters. This Executive Summary is intended solely as a summary. **FOR A COMPLETE UNDERSTANDING OF THE PLAN, YOU SHOULD READ THE DISCLOSURE STATEMENT, THE PLAN AND THE EXHIBITS THERETO IN THEIR ENTIRETY.** Capitalized terms used in this Executive Summary and not otherwise defined herein have the meanings ascribed to them in the Plan.

Section 1.02 Preliminary Statement About the Debtors and the Plan

The Debtors are an oil and gas company headquartered in Fort Worth, Texas that is primarily ~~is~~ engaged in the acquisition, development, and production of oil and natural gas reserves in East Texas. The Debtors have interests in 123 gross producing wells (110.5 net),[2] of which 112 are also operated by the Debtors. As of December 31, 2015, the Debtors had total estimated proved reserves[3] of 23,288 MBoe,[4] of which 10,210 MBoe were developed[5] and 13,078 MBoe were undeveloped.[6] Prior to the decline in commodity prices, for the year ending December 31, 2014, the Debtors generated gross revenues of approximately $262 million.

The Debtors entered chapter 11 having suffered a perfect storm of factors in 2015 that markedly reduced their production and attendant revenues. First, like many other E&P companies, the Debtors fell victim to the same macroeconomic forces currently afflicting the rest of the oil and natural gas industry: historically low commodity prices coupled with relatively weak consumer demand. From their peak prices in excess of $107 per barrel in July 2014, West Texas Intermediate crude oil prices dropped over ~~74~~60%, with benchmark prices at around $~~30~~38 per barrel as of the date of this Disclosure Statement. At the same time, natural gas prices also plunged to a 16-year low, with warmer winters causing lower customer demands and

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[2] "Gross" wells means the total wells in which a working interest is owned. "Net" wells mean the sum of the fractional working interests owned in gross wells.

[3] Reserve figures are broken into two primary categories according to theoretical accuracy: proved and unproved. "Proved" reserves means the estimated quantities of crude oil, natural gas and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. "Unproved" reserves carry more uncertainty, and are further broken into "probable" reserves, which are those which have a 50% chance of being present, and "possible" reserves, which have a lower probability of being recovered.

[4] "Boe" stands for Barrels of Oil Equivalents, a metric used by oil production companies and oil transportation companies to measure both the rate of oil production or transportation (*i.e.*, in barrel of oil equivalents per day) as well as total proven reserves in the ground. "MBoe" stands for One Thousand Barrels of Oil Equivalents.

[5] "Proved developed reserves" means reserves that can be expected to be recovered through existing wells with existing equipment and operating methods.

[6] "Proved undeveloped reserves" means reserves that are expected to be recovered from new wells drilled to a known reservoir(s) on un-drilled acreage or from existing wells where a relatively major expenditure is required for recompletion.

downward pressure on pricing. The impact of these macroeconomic factors on the Debtors' operations and the value of their assets cannot be overstated.

The Debtors' operations were also disproportionately affected by weather conditions in ~~Texas~~the geographic area in which the Debtors operate. During 2015, North and East Texas—where the Debtors' principal assets are located— experienced significant weather activity, including four major flooding events~~. The historic flooding of the Trinity River caused~~, causing many of the Debtors' leasehold sites to be intermittently inaccessible by road due to high water and ~~forced temporary operation~~ shut downs until the water levels receded. The timing of these unprecedented weather events deprived the Debtors of ~~significant amounts of~~ liquidity at an already difficult time for the energy sector as a whole. Indeed, approximately 44% of the Debtors' productive capacity ~~was~~remained shut in ~~when~~as of the time the Debtors filed for bankruptcy. Additionally, ~~many of the Debtors' wells that returned to operation~~ post-flooding the Debtors experienced flood-related operational challenges and produced hydrocarbons in materially lower quantities than their historical precedents.[7]

Although the Debtors took proactive measures prior to filing these Chapter 11 Cases to ~~downsize~~streamline their operations, including suspending nearly all new drilling activities by the fall of 2015, the capital-intensive nature of the Debtors' businesses together with the Debtors' existing capital structure, ~~made it difficult to devote the capital necessary~~constrained the Debtors' ability to maintain and grow their businesses. As a result, beginning in July 2015, the Debtors engaged financial advisors and legal counsel to advise management and the board of directors regarding potential strategic alternatives to enhance the Debtors' liquidity and address their capital structure.

~~However~~Despite the Debtors' efforts, with capital markets essentially closed to the entire sector due to commodity pricing, the only viable alternative for the Debtors was determined to ~~equitize~~be an equitization of a substantial portion of the Debtors' debt ~~and~~so that the Debtors could raise new equity for ongoing operations. A proposed restructuring of the Debtors' capital structure, particularly one that required a debt-for-equity exchange, however, was complicated by the significant overlap between holders of the Debtors' bank and bond debt. Prepetition, the Debtors' capital structure included over $1 billion of debt, comprised of secured bank debt and unsecured convertible notes. Certain "crossholders" of both tranches of debt held a "blocking position" in the prepetition secured bank debt, preventing the Debtors from easily reaching a consensual resolution that could secure an affirmative class vote in favor of a chapter 11 plan by the statutory majority of secured lenders. Accordingly, to get a confirmable plan, the Debtors required a consensual restructuring ~~plan~~ among ~~all its stakeholders~~their debt holders. Although the parties were unable to come to a pre-negotiated deal prior to commencement of the Chapter 11 Cases, the two major groups of creditors—the Crossholder Group and the Ad Hoc Group of Lenders (as defined below) —eventually reached a global settlement with the encouragement of the Debtors. The settlement was then memorialized in the RSA, a copy of which is attached

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[7] The Debtors believe the material decline in production was likely due to mechanical issues related to the wells being shut in during the flood and related artificial lift failures. Since that time, production has improved.

hereto as **Exhibit B**. Pursuant to the RSA, holders of approximately 93.8% of ~~the~~ Prepetition Secured Claims (as defined herein) (the “**Consenting Secured Lenders**”) and holders of approximately 78.8% of the Convertible Notes Claims (as defined herein) (the “**Consenting Noteholders**~~”,~~,” and together with the Consenting Secured Lenders, the “**RSA Creditor Parties**”) have agreed to support the Plan, which includes a significant delevering of the Debtors’ capital structure.

~~The RSA, and the Plan supported thereby, represent a good faith compromise among the RSA Creditor Parties and the Debtors and requires, among other things, that the parties to the RSA support the Plan and seek prompt confirmation and consummation of the restructuring transactions contemplated therein, and subject to the conditions set forth therein.~~

Advisors for the Debtors and the RSA Creditor Parties also negotiated with the Creditors Committee on the terms of the Plan, leading to certain enhanced recoveries for unsecured creditors than originally provided under the RSA. [These enhancements have been incorporated as an exhibit to the RSA. In light of the improved terms, the Creditors Committee is also supporting the Plan.][8]

Section 1.03 Overview of the Plan

The Plan contemplates the implementation of a debt-to-equity conversion of a substantial portion of the Debtors’ prepetition funded indebtedness, which will result in a significantly deleveraged balance sheet for the Debtors upon emergence. Successful implementation of the Plan will avoid a sale of all or substantially all of the Debtors’ assets. The compromises and settlements embodied in the Plan were entered into in good faith and preserve value by enabling the Debtors to avoid costly and time-consuming litigation that would delay the Debtors’ emergence from chapter 11. The key components of the Plan are described below.

A. Debt-for-Equity Exchange

~~The~~A key element of the Plan is the conversion of a substantial portion of the Debtors’ outstanding prepetition bank and bond debt into equity in the Reorganized Debtors. Specifically, if the Plan is confirmed, (i) the Prepetition Secured Lenders will exchange their secured debt in excess of $765.3 million for their *pro rata* share of (a) a New Term Loan in the ~~contemplated~~ amount of $~~125.0~~40 million~~ and 100~~, which will be secured by liens junior to the liens securing the Exit Facility (defined below), (b) 20% of the New Common ~~Shares~~Interests in the Reorganized Debtors (subject to dilution from the Management Incentive Plan and any exercise of the Noteholder Warrants) and (~~ii) the~~iii) the Rights offered in the Rights Offering (described below). Noteholders will exchange their unsecured debt under the Convertible Notes in the amount of $375.0 million for their *pro rata* share of Noteholder Warrants exercisable for seven

[8] Subject to Creditors Committee final approval.

years into ~~3.50~~0.7% of the New Common ~~Shares~~Interests, struck assuming a cashless exercise[9] at an equity value equal to $195 million less the aggregate principal of debt outstanding as of the Effective Date. ~~The issuance of the New Common Shares, including options, or other equity awards, if any, reserved under the Management Incentive Plan, will be authorized on the Effective Date without the need for any further corporate action and without any further action by the holders of claims or interests.~~

B. Rights Offering

To provide capital to repay the Final DIP Facility and to fund the working capital needs of the Reorganized Debtors, the Debtors intend to conduct a rights offering (the "**Rights Offering**") that will be made available to all holders of Prepetition Secured Claims. The Rights Offering will be backstopped by certain holders of Prepetition Secured Claims (the "**Backstop Parties**") pursuant to a commitment letter (the "**Backstop Commitment Letter**") subject to the terms and conditions to be included therein.

Additional details about the Rights Offering are as follows:

a. Rights Offering

Each holder of and Allowed Prepetition Secured Claim will have the opportunity to make an election, in conjunction with voting on the Plan, to purchase (each, a "**Right**" and together, the "**Rights**") contemporaneously with the Effective Date, a *pro rata* share of (a) a delayed-draw term loan (the "**Exit Facility**") of $90 million (with $65 million anticipated to be funded on the Effective Date), which will be secured by first priority liens on substantially all of the Debtors' assets and otherwise be on terms set forth in the Exit Facility Documentation and (b) 80% of the New Common Interests (together, the "**Rights Offering Interests**"), subject to dilution from the Management Incentive Plan and conversion of the Noteholder Warrants, resulting in gross cash proceeds of $90,000,000 (the "**Rights Offering Proceeds**") to the Reorganized Debtors. The Rights Offering will be conducted in accordance with the Rights Offering Procedures, Exit Facility Documentation, Backstop Commitment Letter, and the Plan. Notwithstanding anything contained in the Plan or the Rights Offering Procedures to the contrary, the Debtors may, with the consent of the Requisite Backstop Parties, modify the Rights Offering Procedures or adopt additional procedures. The closing of the Rights Offering is conditioned on consummation of the Plan.

i. Election Form

The Debtors will deliver an Election Form to each Prepetition Secured Lender that is a holder of an Allowed Prepetition Secured Claim to determine which such holders desire to

[9] For the avoidance of doubt, such cashless exercise will result in a percentage of less than ~~3.5~~0.7% of the New Common ~~Shares~~Interests being granted to holders of Convertible Notes Claims on account of the Noteholder Warrants.

participate in the Rights Offering (each, a "**Participant**"). Each Participant in the Rights Offering shall be provided the opportunity to participate in the Rights offering on a *pro rata* basis in an amount commensurate with such Participant's aggregate principal outstanding Prepetition Secured Claims held as of the Confirmation Date. Any Prepetition Secured Lender that is a holder of a Prepetition Secured Claim that does not return a validly completed Election Form by the Subscription Deadline shall not be entitled to participate in the Rights Offering.

ii. Issuance of Rights

The exercise price per Right ("**Per Interest Price**") shall be $100,000, and shall entitle each Participant to purchase $100,000 of principal amount of the Exit Facility and 0.0888888889% of the New Common Interests being offered in the Rights Offering; *provided, however*, that such Participant shall only be required to fund on the Effective Date the portion of the Per Interest Price that represents the aggregate amount of the Exit Facility to be drawn at the Effective Date (the "**Effective Date Funding Amount**") and the remainder of such Per Interest Price shall be committed under the Exit Facility in accordance with the terms thereof, and any funds delivered by a Participant in connection with the Rights Offering in excess of the Effective Date Funding Amount will be returned to such Participant at the closing of the Rights Offering. Notwithstanding anything to the contrary in the Plan or in the Rights Offering Procedures, fractional shares of New Common Interests shall not be issued in connection with the Rights Offering and any such fractional shares will be rounded up or down to the nearest whole number as determined by the Debtors.

iii. Transfer Restrictions and Revocation

The Rights shall not be assignable or detachable, and shall not be transferrable other than in connection with the transfer of the corresponding Claims. After a Right has been exercised, the underlying Claim corresponding to the Right will cease to be transferrable. In addition, once an Participant has properly exercised its Rights, such exercise cannot be revoked, rescinded or annulled for any reason unless the Effective Date has not occurred on or before forty-five (45) days following the Subscription Deadline, at which time any Participant may revoke the exercise of all, but not less than all, of the Rights it has exercised by delivery of a revocation notice pursuant to the Rights Offering Procedures.

iv. Issuance of Rights Offering Interests

On the Effective Date, Reorganized ENXP LLC shall issue the Rights Offering Interests, in exchange for payment therefor, to those Participants that, in accordance with the Plan and the Rights Offering Procedures, validly exercised their respective Rights to participate in the Rights Offering.

v. Refund of Payments

If the Rights Offering is terminated, including by termination of the Backstop Commitment Letter, any payment made by a Participant pursuant to the Rights Offering shall be refunded as soon as practicable thereafter, without interest or deduction. If a Participant

participating in the Rights Offering has made an overpayment, including in connection with the Effective Date Funding Amount, the amount of such overpayment shall be refunded as soon as practicable following the Subscription Deadline, without interest or deduction.

vi. Rights Offering Dates

The Rights Offering shall be commenced and completed in accordance with the dates set forth in the Rights Offering Procedures; *provided, however*, that the Debtors may modify such dates and deadlines consistent with the Rights Offering Procedures, subject to the consent of the Requisite Backstop Parties. For the avoidance of doubt, nothing herein constitutes an offer of Rights Offering Interests.

B.C. Treatment of General Unsecured Claims

TheAs part of the plan settlements, the holders of General Unsecured Claims (including Junior Statutory Lien Claims and the Chesapeake Note ClaimsClaim) will receive their *pro rata* share of $1 million2,250,000 in cash (the "**GUC Cash**") and thecertain proceeds, if any, of certain Assigned Avoidance ActionsEstate Claims (as defined in the Plan). Such) (such Assigned Avoidance ActionsEstate Claims, together with the GUC Cash, the "**Creditor Trust Assets**"). Creditor Trust Assets will be assigned to and pursued by a litigation trust (the "**LitigationCreditor Trust**")[10] to be established under the Plan for the benefit of holders of General Unsecured Claims, subject to the costs of any professional fees or other expenses incurred by such Litigation Trust.Creditor Trust and to be paid from the GUC Cash. Net proceeds from the Assigned Estate Claims shall be payable by the Creditor Trust as follows: (i) the first $1,000,000 will be paid to Reorganized ENXP LLC, (ii) then, to holders of Allowed General Unsecured Claims (other than the deficiency claims of the Prepetition Secured Lenders (the "**Deficiency Claims**")), until such holders recover an aggregate of 15% of the Allowed amount of their claims from all Creditor Trust Assets, and (iii) thereafter, on a pro rata basis, to all holders of Allowed General Unsecured Claims (including Deficiency Claims).

D. Convenience Class

The Plan will contain a "convenience class" for holders of General Unsecured Claims of $1,000 or less or those that voluntarily reduce their claims to such amount in order to be part of the Convenience Class. Under the Plan, Allowed Convenience Claims, in lieu of the General

[10] The Litigation Trust shall be established pursuant to this Plan and become effective for the benefit of the Litigation Trust Beneficiaries on the Effective Date, for the primary purpose of pursuing the Assigned Avoidance Actions and distributing any net proceeds therefrom pursuant to this Plan, with no objective to continue or engage in the conduct of a trade or business. The Plan and the Litigation Trust Agreement shall govern the management and administration of the Litigation Trust and the respective rights, powers, and obligations of the Litigation Trustee and the Litigation Trust Beneficiaries. The Litigation Trust Agreement will be binding on all Litigation Trust Beneficiaries who shall be deemed to have executed the Litigation Trust Agreement as of the Effective Date.

Unsecured Claims treatment under the Plan, will be entitled to be paid in cash for the full Allowed amount of their claims.

C.A. General Settlement of Claims and Interests

As described more fully in the Plan, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan will constitute a good-faith compromise and settlement of all claims, interests, and controversies relating to the Debtors.

D.E. Releases

The Plan also contains certain releases (as described more fully in Article XIV hereof), including releases between the Debtors and Reorganized Debtors, on the one hand, and certain "Released Parties" on the other hand. The Released Parties under the Plan include the RSA Creditor Parties, the DIP Facility Agent, the DIP Facility Lenders, the Prepetition Agent, the Prepetition Secured Lenders, the Indenture Trustee, the Noteholders, and the Creditors Committee (each solely in their capacity as such) and their representatives, advisors, Affiliates, Related Funds, and agents. The Plan also provides that each holder of a Claimclaim or an Interestinterest that (i) votes to accept or is deemed to accept the Plan or (ii) votes to reject the Plan, is deemed to reject the Plan, or is in a voting class that abstains from voting on the Plan but does not elect to opt out of the release provisions contained in Article XII of the Plan, will be deemed to have expressly, unconditionally, generally, individually, and collectively released and discharged all claims and causes of action against the Debtors and the Released Parties, and their Related Persons.

F. General Settlement of Claims and Interests

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan will constitute a good-faith compromise and settlement of all claims, interests, and controversies relating to the Debtors.

THE DEBTORS BELIEVE THAT THE REORGANIZATION SET FORTH IN THE PLAN MARKS THE BEST OPPORTUNITY FOR THE DEBTORS TO PRESERVE THEIR OPERATIONS.

ACCORDINGLY, THE DEBTORS STRONGLY URGE ACCEPTANCE OF THE PLAN.

Section 1.04 Plan Distributions

Under the Plan, claims against and interests in the Debtors are divided into classes. Certain unclassified claims, including Administrative Expense Claims, DIP Facility Claims and Priority Tax Claims, will receive payment in Cashcash either on the Effective Date, as such

claims are liquidated, or as agreed with the holders of such claims. Trade claims from the Debtors' operation of their businesses during these Chapter 11 Cases will be paid in the ordinary course. All other claims and interests are classified into eight (8) classes and will receive the distributions set forth in the table below. For certain classes of claims, an estimated percentage recovery is set forth. Unless otherwise indicated, the estimated recovery value was determined based upon the Debtors' review of their books and records and includes estimates of claims that are contingent, disputed, and/or unliquidated. There can be no assurances that the estimated amounts below are correct; actual claim amounts could be materially different than the estimated amounts shown. This summary is qualified in its entirety by reference to the provisions of the Plan, a copy of which is attached hereto as **Exhibit A**.

Class	Type of Allowed Claim or Interest	Treatment	Impairment	Entitled to Vote	Estimated Recovery
		Unclassified Claims			
N/A	Administrative Expense Claims	Either (i) payment in full in ~~Cash~~cash, (ii) such other treatment consistent with the Bankruptcy Code or (iii) such other terms agreed to by the Debtors and the holders thereof, with the consent of the Requisite Supermajority Consenting Secured Lenders	Unclassified	Not entitled to vote on the Plan	100%
N/A	DIP Facility Claims	Either (i) payment in full in ~~Cash~~cash, (ii) such other treatment consistent with the Bankruptcy Code or (iii) such other terms agreed to by the Debtors and the holders thereof	Unclassified	Not entitled to vote on the Plan	100%
N/A	Priority Tax Claims	Either (i) payment in full in ~~Cash~~cash, (ii) such other treatment consistent with the Bankruptcy Code or (iii) such other terms agreed to by the Debtors and the holders thereof, with the consent of the Requisite Supermajority Consenting Secured Lenders	Unclassified	Not entitled to vote on the Plan	100%
		Classified Claims			
1	Other Priority Claims	Either (i) payment in full in ~~Cash~~cash plus post-petition interest, (ii) such other treatment consistent with the Bankruptcy Code~~,~~ or (iii) such other less favorable terms agreed to by the Debtors and the holders thereof, with the consent of the Requisite Supermajority Consenting Secured Lenders	Unimpaired	Not entitled to vote; deemed to accept the Plan	100%
2	Other Secured Claims	At the option of the Debtors, in consultation with the Requisite Supermajority Consenting Secured Lenders, either (i) payment in full in ~~Cash~~cash plus post-petition interest, (ii) reinstatement~~,~~ or (iii) ~~[~~the return of the applicable collateral~~]~~	Unimpaired	Not entitled to vote; deemed to accept the Plan	100%
3	Prepetition Secured Claims	*Pro rata* share of (i) the New Term Loan up to $~~125~~40 million, (ii) ~~96.5% of any principal amount of the New Term Loan in excess of $125 million and (iii) 100~~20% of the New Common ~~Shares~~Interests (subject to dilution) and (iii) the option to purchase Rights Offering Interests in connection with the Rights Offering	Impaired	Entitled to vote on the Plan	~~[%]~~7.6%

Class	Type of Allowed Claim or Interest	Treatment	Impairment	Entitled to Vote	Estimated Recovery
4	Convertible Notes Claims	*Pro rata* share of ~~(i) of~~ warrants exercisable into ~~3.50~~0.7% of the New Common ~~Shares~~Interests (subject to dilution), which warrants shall be struck, assuming a cashless exercise, at an equity value equal to $195.0 million less the aggregate principal amount of debt outstanding as of the Effective Date, and which shall be exercisable at any time from the Effective Date until the seven (7) year anniversary thereof ~~and (ii) 3.50% of the principal amount of the New Term Loan in excess of $125.0 million~~	Impaired	Entitled to vote on the Plan	~~[%]~~0.0%
5	General Unsecured Claims	~~*Pro rata* share of $1 million and the proceeds, if any, from the Assigned Avoidance Actions, less the cost of pursuing or litigating any of the Assigned Avoidance Actions~~*Pro rata* share of $2.25 million and the proceeds, if any, of the Assigned Estate Claims. General Unsecured Claims that are not Deficiency Claims, receive Class A Interests of the Creditors Trust entitling such holders to their *pro rata* share of the net proceeds of the Creditor Trust Assets and (b) holders of Deficiency Claims receive Class B Interests of the Creditors Trust, entitling such holders to share in the net proceeds of the Assigned Estate Claims after holders of Class A Interests recover 15% of the Allowed amount of their claims from all Creditor Trust Assets.	Impaired	Entitled to vote on the Plan	~~[%]~~4.6%[11]
6	Convenience Claims	Payment in ~~Cash in the amount~~cash of ~~allowed~~Allowed General Unsecured Claims in amounts of $1,000 or less	Unimpaired	Not entitled to vote; deemed to accept the Plan	100%
7	Preferred Stock	Extinguished without any distribution	Impaired	Not entitled to vote; deemed to reject the Plan	0%
8	Interests	Extinguished without any distribution	Impaired	Not entitled to vote; deemed	0%

[11] The estimated recovery to Class 5 claimants represents a recovery before consideration of costs necessary to administer Creditor Trust Assets or pay Creditor Trust Expenses.

Class	Type of Allowed Claim or Interest	Treatment	Impairment	Entitled to Vote	Estimated Recovery
				to reject the Plan	

ARTICLE II
VOTING INSTRUCTIONS AND PROCEDURES

On [DATE], the Bankruptcy Court approved the Disclosure Statement as containing adequate information of a kind and in sufficient detail to enable hypothetical, reasonable investors typical of the Debtors' creditors and interest holders to make an informed judgment whether to accept or reject the Plan. **APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT, HOWEVER, CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT AS TO THE FAIRNESS OR MERITS OF THE PLAN.**

The Disclosure Statement Order, a copy of which is annexed hereto as **Exhibit ~~D~~E**, sets forth in detail the deadlines, procedures, and instructions for voting to accept or reject the Plan and for filing objections to confirmation of the Plan, the record date for voting purposes and the applicable standards for tabulating ballots. In addition, detailed voting instructions accompany each ballot. Each holder of a claim or interest entitled to vote on the Plan should read the Disclosure Statement, the Plan, the Disclosure Statement Order, and the instructions accompanying the ballot in their entirety before voting on the Plan. These documents contain important information concerning the classification of claims and interests for voting purposes and the tabulation of votes. No solicitation of votes to accept the Plan may be made except pursuant to section 1125 of the Bankruptcy Code.

THE LAST DAY TO VOTE TO ACCEPT OR REJECT THE PLAN IS [APRIL 15, 2016]. TO BE COUNTED, YOUR BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING AGENT BY THIS DATE.

Section 2.01 Holders of Claims Entitled to Vote

Pursuant to the provisions of the Bankruptcy Code, only classes of claims or equity interests which (i) are "impaired" by a chapter 11 plan and (ii) are entitled to receive a distribution under such plan are entitled to vote to accept or reject a proposed plan. Classes of claims or equity interests which (a) are "impaired" by a chapter 11 plan and (b) are not entitled to receive a distribution under such a plan are not entitled to vote and are deemed to have rejected the Plan. Classes of claims or equity interests in which the holders of claims or equity interests are unimpaired are deemed to have accepted the Plan and are not entitled to vote to accept or reject the Plan.

Classes 3 (Prepetition Secured Claims), 4 (Convertible Notes Claims), 5 (General Unsecured Claims), 7 (Preferred Stock) and 8 (Interests) are impaired under the Plan. To the extent claims ~~or interests~~ in Classes 3, 4 and 5 are ~~allowed~~Allowed claims~~ or allowed interests~~, the holders of such claims or interests are entitled to vote to accept or reject the Plan. Classes 7

and 8 will not receive any distribution and are therefore deemed to reject the Plan. Classes 1 (Other Priority Claims), 2 (Other Secured Claims) and ~~3~~6 (Convenience Claims) are unimpaired by the Plan and the holders thereof are conclusively presumed to have accepted the Plan.

The Bankruptcy Code defines "acceptance" of a plan by a class of claims as acceptance by creditors in that class that hold at least two-thirds in dollar amount and more than one-half in number of the claims that cast ballots for acceptance or rejection of the plan. Thus, acceptance of the Plan by Classes 3, 4 and 5 will occur only if at least two-thirds in dollar amount and a majority in number of the holders of claims in each class that cast their ballots vote in favor of acceptance. A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

If one or more classes of claims entitled to vote on the Plan reject the Plan, the Debtors reserve the right to amend the Plan or request confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code or both. Section 1129(b) permits confirmation of a plan of reorganization notwithstanding the non-acceptance of a plan by one or more impaired classes of claims or equity interests if the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each non-accepting class.

Section 2.02 Confirmation Hearing

Pursuant to section 1128 of the Bankruptcy Code, the confirmation hearing will be held on [April 21, 2016], commencing at [9:30 a.m.] prevailing Central Time, before the Honorable Russell F. Nelms, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Northern District of Texas, Eldon B. Mahon U.S. Courthouse, 501 W. 10th Street, Room 204, Fort Worth, Texas 76102 (the "**Confirmation Hearing**"). The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan be served and filed so that they are received on or before [April 15, 2016] at 4:00 p.m., prevailing Central Time (the "**Objection Deadline**"). The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

Section 2.03 Solicitation Package

Accompanying this Disclosure Statement for the purpose of soliciting votes (the "**Solicitation**") on the Plan are copies of (i) the Plan; (ii) the notice of, among other things, the time for submitting Ballots to accept or reject the Plan, the date, time, and place of the hearing to consider Confirmation of the Plan and related matters, and the time for filing objections to Confirmation of the Plan; and (iii) as applicable, a Ballot or Ballots (and return envelope(s)) that you may use in voting to accept or to reject the Plan, or a notice of non-voting status, (collectively, the "**Solicitation Package**"). Holders of Prepetition Secured Claims will also receive in their Ballots or in a separate election package instructions and documents necessary to participate in the Rights Offering. Only holders eligible to vote in favor of or against the Plan will receive a Ballot(s) as part of their Solicitation Packages. If you did not receive a Ballot and

believe that you should have, please contact the Debtors' Voting Agent at the address or telephone number set forth in Section 2.04 below. You may also contact Debtors' counsel.

Section 2.04 Voting Instructions

If you are entitled to vote to accept or reject the Plan, a ~~ballot~~Ballot is enclosed for the purpose of voting on the Plan. If you hold claims or interests in more than one class and you are entitled to vote such claims or interests, you will receive separate ~~ballots~~Ballots, which must be used for each separate class of claims.

Each Ballot has been coded to reflect the class of claims or interests it represents. Accordingly, in voting to accept or reject the Plan, you must use only the coded Ballot or Ballots sent to you with this Disclosure Statement.

After carefully reviewing the Plan and this Disclosure Statement, and the Exhibits thereto, and the detailed instructions accompanying your Ballot, please indicate your acceptance or rejection of the Plan on the enclosed Ballot. Please complete and sign your Ballot and return it in the envelope provided so that it is **RECEIVED** by Prime Clerk, LLC (the "**Voting Agent**") on or before the Plan Voting Deadline set forth on the Ballot.

If you have any questions about the procedure for voting your eligible claim or interest or with respect to the Solicitation Package that you have received, please contact the Voting Agent:

Prime Clerk LLC
830 3rd Avenue, 3rd Floor
New York, NY 10022
Phone: (844) 597-1420

IN ORDER FOR YOUR VOTE TO BE COUNTED, YOUR VOTE MUST BE ACTUALLY RECEIVED BY THE VOTING AGENT FOR THE DEBTORS ON OR BEFORE 4:00 P.M~~.,~~, PREVAILING CENTRAL TIME, ON [APRIL 15, 2016], AT THE ABOVE ADDRESS. EXCEPT TO THE EXTENT ALLOWED BY THE BANKRUPTCY COURT OR DETERMINED OTHERWISE BY THE DEBTORS, BALLOTS RECEIVED AFTER THE PLAN VOTING DEADLINE WILL NOT BE ACCEPTED OR USED IN CONNECTION WITH THE DEBTORS' REQUEST FOR CONFIRMATION OF THE PLAN OR ANY MODIFICATION THEREOF. THE RECORD DATE FOR DETERMINING WHICH CREDITORS MAY VOTE ON THE PLAN IS [~~DATE].~~MARCH 18. 2016.]

ONLY BALLOTS WITH ORIGINAL SIGNATURES WILL BE COUNTED. BALLOTS WITH COPIED SIGNATURES WILL NOT BE ACCEPTED OR COUNTED. YOU MAY NOT SUBMIT A BALLOT ELECTRONICALLY, INCLUDING VIA EMAIL OR FACSIMILE. ONLY ORIGINAL BALLOTS (INCLUDING BALLOTS FORWARDED BY MASTER BALLOTING AGENTS) RECEIVED BY THE VOTING AGENT BY THE PLAN VOTING DEADLINE WILL BE COUNTED.

DO NOT RETURN ANY SECURITIES WITH YOUR BALLOT.

Any claim or interest in an impaired class as to which an objection or request for estimation is pending or which was scheduled by the Debtors in their schedules of assets and liabilities or their statements of financial affairs as unliquidated, disputed or contingent and for which no timely proof of claim has been filed is not entitled to vote unless the holder of such claim or interest has obtained an order of the Bankruptcy Court temporarily allowing such claim for the purpose of voting on the Plan.

If you are a holder of a claim or interest entitled to vote on the Plan and did not receive a ~~ballot~~Ballot, received a damaged ~~ballot~~Ballot or lost your ~~ballot~~Ballot, or if you have any questions concerning the Disclosure Statement, the Plan or the procedures for voting on the Plan, please call Prime Clerk LLC at (844) 597-1420.

RECOMMENDATION: THE DEBTORS URGE CREDITORS TO VOTE TO ACCEPT THE PLAN.

Section 2.05 Voting Tabulation

Under the Bankruptcy Code, for purposes of determining whether the requisite acceptances have been received, only holders who actually vote will be counted. The failure of a holder to deliver a duly executed Ballot will be deemed to constitute an abstention by such holder with respect to voting on the Plan and such abstentions will not be counted as votes for or against the Plan.

Unless otherwise ordered by the Bankruptcy Court, Ballots that are signed, dated, and timely received, but on which a vote to accept or reject the Plan has not been indicated, will not be counted. The Debtors, in consultation with the Requisite Majority Consenting Secured Lenders, may request that the Voting Agent attempt to contact such voters to cure any such defects in the Ballots.

Except as provided below, unless the applicable Ballot is timely submitted to the Voting Agent before the Voting Deadline, together with any other documents required by such Ballot, the Debtors may, in their sole discretion, reject ~~such~~any Ballot as invalid and decline to utilize it in connection with seeking Confirmation of the Plan.

A vote may be disregarded if the Bankruptcy Court determines, pursuant to Bankruptcy Code section 1126(e), that it was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

If a Ballot is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or another Party acting in a fiduciary or representative capacity, such Person should indicate such capacity when signing and, unless otherwise determined by the Debtors, must submit proper evidence satisfactory to the Debtors of authority to so act.

Section 2.06 Agreements upon Furnishing Ballots

The delivery of an accepting Ballot by a holder pursuant to one of the procedures set forth above will constitute the agreement of such holder to accept (i) all of the terms of, and conditions to, the ~~solicitation~~Solicitation and voting procedures and (ii) the terms of the Plan, but subject to the rights of such holder under section 1128 of the Bankruptcy Code.

ARTICLE III
GENERAL INFORMATION ABOUT THE DEBTORS

Section 3.01 Description of Debtors' Business and Assets

The Debtors are independent exploration and production companies focused on the acquisition, exploration, development and exploitation of conventional and unconventional oil and natural gas resources.

The Debtors' most valuable assets are their leasehold interests in the oil and gas region of East Texas, which offer attractive economic returns, long-term growth potential, and the ability to assemble large, contiguous acreage positions. Through these leaseholds, the Debtors own approximately 55,430 net acres in Texas and Wyoming, as of December 31, 2015.

In Texas, the Debtors' operations are located throughout Madison, Grimes, Leon, Houston and Walker Counties, where the Debtors are pursuing opportunities in the Buda-Rose stacked comingled play, the Woodbine sandstone, the Eagle Ford shale and other stacked formations in the region (collectively, the "**East Texas Basin**"). The remainder of the Debtors' acreage is located in the Denver-Julesburg Basin in Wyoming, which is situated on the western, northern and eastern extensions of the Silo Field in Laramie County, Wyoming, and the deepest parts of the basin in Goshen County, Wyoming~~ (collectively, the "DJ Basin")~~. Overall, the Debtors have interests in 123 gross producing wells (110.5 net), of which 112 are also operated by the Debtors.

The Debtors generate the majority of their revenue through sales of oil and natural gas in Texas. The value of the Debtors' assets (present and future) is driven by the value of their proved, probable, and possible recoverable oil and natural gas reserves and the uniqueness of their leasehold interests. As of December 31, 2015, the Debtors had total estimated proved reserves of 23,288 MBoe in the East Texas Basin, 10,210 MBoe of which were developed and 13,078 MBoe of which were undeveloped. These reserves were predominately oil. In addition, the Debtors had 6,861 MBoe of total estimated probable reserves, 58% of which were oil, and 6,861 MBoe of total estimated possible reserves, 79% of which were oil. The Debtors' average daily net production was 4,568 Boe/day for the quarter ended December 31, 2015.

The Debtors employ approximately 59 people across their various operations. The majority of the Debtors' personnel are located in Texas. In the ordinary course, the Debtors also utilize the services of numerous independent contractors to perform field and other services.

Section 3.02 Debtors' History and Corporate Structure[12]

The ENXP corporate group was founded by B. Hunt Pettit ("**Mr. Pettit**"). After working in the industry for over a decade and managing an organization that leased, developed and sold large positions in the Barnett Shale~~ in 2005 and 2007~~, Mr. Pettit formed and capitalized Debtor Energy & Exploration Partners, LLC ("**ENXP LLC**"), with the vision of starting his own E&P company. In 2008, ENXP LLC began actual business operations in the Eagle Ford shale play, primarily in McMullen and LaSalle Counties, Texas.

Between 2008 and 2010, ENXP LLC leased and profitably sold over 125,000 net acres in conjunction with and to both major and independent oil & gas companies. In early 2011, Mr. Pettit took the returns from ENXP's successful Eagle Ford shale activities and began leasing in the East Texas Basin. As a result of Mr. Pettit's experience in identifying and developing unique and highly marketable properties~~ (and collectively with all other oil and gas properties thereafter acquired, whether the reserves associated therewith are designated proved, probable or possible, the "**Oil and Gas Properties**"),~~, ENXP LLC ~~ultimately~~ was able to acquire ~~over 45,050~~valuable net acres in the East Texas Basin~~, which it partially sold to Halcón Resources and Constellation Energy for $104.6 million. ENXP LLC retained working interests of between 10%-25% in the acreage.~~. Substantially all of this land and the other assets of the ENXP corporate group~~, including all of its Oil and Gas Properties,~~ are held by ENXP LLC.

~~In July 2012, ENXP was incorporated in Delaware as a holding company for ENXP LLC. ENXP has no substantial assets other than its equity interests in ENXP LLC.~~

In July 2012, ENXP was incorporated in Delaware as a holding company for ENXP LLC. ENXP has no substantial assets other than its equity interests in ENXP LLC. ENXP owns 100% of the interests in ENXP LLC, which in turn wholly owns Energy & Exploration Partners Operating GP, LLC. ENXP LLC and Energy & Exploration Partners Operating GP, LLC own 99% and 1% of the interests in ENXP Operating, respectively. ENXP Operating is the Debtors' principal operating subsidiary and pays substantially all of the consolidated group's operating expenses. Additional information relating to the financial responsibilities of each Debtor and the Debtors' intercompany transactions can be found in the *Debtors' Motion for Entry of Interim and Final Orders (A) Authorizing the Debtors to Continue to Operate their Cash Management System; (B) Authorizing the Debtors to Maintain Existing Business Forms; and (C) Granting Administrative Priority to Intercompany Claims and Authorizing the Debtors to Perform Under Certain Intercompany Arrangements and Historical Practices Among the Debtors* filed on December 7, 2015 [Dkt. No. 8].

In July 2014, the Debtors completed the purchase of approximately 18,300 net acres in the Ft. Trinidad field in the East Texas Basin from TreadStone Energy Partners, LLC, including interests in 45 gross (43.5 net) producing wells and 10 gross (9.8 net) wells waiting on completion, a three-well salt water disposal system and approximately 30 square miles of 3D

[12] An illustrative organizational chart for the ENXP corporate group is attached hereto as **Exhibit D**.

seismic data, for a purchase price of approximately $700 million in cash, after post-closing adjustments (the "**Ft. Trinidad Acquisition**"). Substantially all of the Debtors' outstanding prepetition debt was incurred in connection or contemporaneously with the Ft. Trinidad Acquisition.

Section 3.03 The Debtors' Prepetition Capital Structure

As of the Petition Date, the Debtors' primary liabilities consisted of (a) approximately $765.3 million of principal amount of first lien secured indebtedness under the Prepetition Secured Facility at ENXP LLC; (b) approximately $375 million in principal amounts of obligations under the Convertible Notes at ENXP; (c) a promissory note in the principal amount of $18.0 million payable to Chesapeake Exploration L.L.C. ("**Chesapeake**") at ENXP; and (d) trade debt of approximately $27.0 million~~.~~, predominantly owed by ENXP Operating.

a. Prepetition Secured Facility. As described above, in connection with the Ft. Trinidad Acquisition, ENXP LLC entered into a $775 million senior secured term loan agreement (as amended, the "**Prepetition Secured Facility**"), dated as of July 22, 2014, among itself as borrower, ENXP, ~~ENXP~~Energy & Exploration Partners Operating GP, LLC and ENXP ~~LP~~Operating, as guarantors, Credit Suisse AG~~,~~ Cayman Islands Branch, as administrative agent and collateral agent (the "**Prepetition Agent**") and the other lenders party thereto (the "**Prepetition Secured Lenders**"). The Prepetition Secured Facility was secured by a first priority lien in substantially all of the Debtors' assets, including substantially all of the Debtors' ~~Oil and Gas Properties~~leasehold interests, as well as ENXP's equity interests in ENXP LLC. As of the Petition Date, there was approximately $765.3 million in aggregate principal amount outstanding under the Prepetition Secured Facility.

As of the Petition Date, the Debtors were current on their obligations under the Prepetition Secured Facility.

b. The Convertible Notes. On July 22, 2014, in connection with the Fort Trinidad Acquisition, ENXP issued $375 million in principal amount of 8.00% convertible subordinated unsecured notes due 2019 (the "**Convertible Notes**"). Holders of the Convertible Notes (the "**Noteholders**") ~~have~~had the right to convert all or part of the notes into shares of the Debtors' common stock upon the closing of a qualified public offering. Holders of the Convertible Notes also ~~have~~had registration rights with respect to shares of ENXP Common Stock (as defined below). The Convertible Notes are not guaranteed by any of the other Debtors. As of the Petition Date, approximately $375.0 million in principal amount of Convertible Notes remained outstanding.

c. Chesapeake Note. In April 2013, the Debtors acquired a 100% working interest in Chesapeake's acreage in the Eaglebine for approximately $93 million. In connection with the sale, the Debtors paid Chesapeake approximately $75 million in cash and ENXP granted Chesapeake ~~a subordinated~~an unsecured promissory

note in the principal amount of $18.0 million (the "**Chesapeake Note**"). No Debtors guaranteed the obligations of ENXP under the Chesapeake Note, and the Chesapeake Note is subordinated in right of payment to the Prepetition Secured Facility ~~and the Convertible Notes~~ pursuant to its terms. The Chesapeake Note matures on the earlier of (a) October 8, 2018; (b) the closing of an initial public offering of the Debtors; or (c) six (6) months after the date of repayment of certain senior debt obligations.[13] The Chesapeake Note accrues interest at 10% per annum until the senior debt obligations are paid in full, and 15% per annum thereafter, in each case payable in kind ("**PIK Interest**") and added to the principal balance of the Chesapeake Note at the end of each quarter. As of the Petition Date, the principal balance of the Chesapeake Note, including accrued PIK Interest, was approximately $23.3 million.

d. Trade Debt. In the ordinary course of producing hydrocarbons from its ~~Oil and Gas Properties~~properties, the Debtors have historically obtained goods and services from over 650 vendors. Most of the vendors have agreements with ENXP Operating. As of the commencement of these Chapter 11 Cases, approximately $27.3 million was owed to vendors and other creditors ~~of the Debtors~~, predominately by ENXP Operating.

e. Preferred Stock and Warrants to Purchase Preferred Stock. In April 2013, December 2013, January 2014 and March 2014, the Debtors issued to funds affiliated with Highbridge Principal Strategies, LLC ("**Highbridge**") and Apollo Investment Corporation ("**Apollo**") unsecured notes in the total principal amount of $225 million. In July 2014, the Debtors repaid the unsecured notes, including a prepayment premium, with the proceeds of the Prepetition Secured Facility and the Convertible Notes. In April 2013, the Debtors issued Highbridge and Apollo warrants to purchase an aggregate of 269,231 shares of the Debtors' mandatorily convertible preferred stock at an exercise price of $0.01 per share. Thereafter, in connection with the unsecured notes issuance in March 2014, the Debtors granted Highbridge and Apollo warrants to purchase up to an additional 71,122 shares of the Debtors' mandatorily convertible preferred stock. As of the Petition Date, none of the warrants had been exercised and no preferred stock has been issued.

f. ENXP Common Stock. As of the Petition Date, there were approximately 465,400 (427,500 vested) ~~million~~ shares of ENXP Common Stock outstanding, at a par value of $0.01 per share.

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[13] Under the Chesapeake Note, the repayment of ~~the~~ senior debt obligations refers to (a) the payment in full in cash of all ~~Senior Debt~~senior debt (including the Prepetition Secured Facility ~~and the Convertible Notes~~); (b) the termination, return or cash collateralization of all letters of credit issued under any Credit Facility, as defined in the Chesapeake Note, related to ~~Senior Debt~~senior debt; and (c) the termination or expiration of all commitments to advance or create ~~Senior Debt~~senior debt.

Section 3.04 Events Leading to Commencement of These Chapter 11 Cases

A confluence of factors ~~in 2014 and 2015~~ led to the Debtors' ~~instant~~ need for a balance-sheet restructuring. First, macroeconomic factors have made it difficult for the Debtors to support their debt obligations and generate sufficient capital to maintain and grow their businesses. Since ~~the fall of~~ 2014, there has been a dramatic decline in the prices of crude oil and natural gas~~. Indeed,~~, with the price of oil on the NYMEX-WTI[14] ~~declined~~declining from a high of more than $107/Bbl in July 2014 to below $45/Bbl in the first quarter of 2015. Following a brief recovery in the second quarter of 2015, the NYMEX-WTI oil price further declined~~.~~~~[15]~~ and was approximately $40/Bbl on the Petition Date. As of the date of this Disclosure Statement, the NYMEX-WTI oil price is down to approximately $~~30~~38/Bbl.

The difficulties faced by the Debtors are consistent with the difficulties faced industry-wide. Like many of their similarly-situated competitors, the Debtors could not anticipate the geo-political factors that contributed to this dramatic and protracted decline in commodity prices, ~~and by extension,~~but the impact on their revenues and asset values has been significant.

~~Second, while the Debtors' businesses might have withstood the impact of low commodity pricing—albeit within a limited budget for drilling new wells—had that been the only challenge they faced during the second half of~~Second, in 2015, the Debtors were additionally stymied by significant weather activity in North and East Texas. These weather events included several historic 100-year flooding events that negatively impacted the Debtors' operations and revenue margins. The flooding caused many of the Debtors' leasehold sites to be inaccessible by road in May and June, 2015, due to high water and to shut down temporarily until the water level receded in early July. Given ~~that~~ the ~~storm remediation efforts continued into July~~storms, the Debtors experienced lower than expected production and revenues for the second quarter and a portion of the third quarter of 2015, as well as increased operating expenses. Moreover, production following the flood was materially lower than before the weather related events.[16] Subsequent record rainfall in October and November 2015 caused similar flooding for a portion of October, November and December 2015, with approximately 44% of productive capacity shut-in as of the Petition Date.

Finally, although the Debtors implemented various cost-cutting initiatives in response to the deteriorating market conditions and developed better protocols to counteract flooding, on November 25, 2015, Baker Hughes Oilfield Operations, Inc., Cactus Pipe & Supply, LLC, Baker Petrolite, LLC, Schlumberger Technology Corp., M-I, LLC, and Smith International Inc.

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[14] The NYMEX-WTI or New York Mercantile Exchange-West Texas Intermediate is a commonly used benchmark for oil prices in the United States.

~~[15] As of the Petition Date, the NYMEX-WTI crude oil price was approximately $40/Bbl.~~

[16] The Debtors believe the material decline in production was likely due to mechanical issues related to the wells being shut in during the flood and related artificial lift failures.

commenced an involuntary ~~Chapter~~chapter 11 proceeding against ENXP Operating, causing substantial disruption to the Debtors' operations, and forcing the Debtors to commence these chapter 11 cases on an expedited basis. Absent the Debtors' voluntary ~~Chapter~~chapter 11 filings, and without immediate access to post-petition financing, the Debtors' operations would have been significantly, negatively impacted by the ~~Involuntary Proceeding~~involuntary proceeding to the detriment of all of the Debtors' stakeholders.

Section 3.05 Prepetition Restructuring Efforts

Prior to commencing these Chapter 11 Cases, the Debtors proactively and aggressively pursued a range of out-of-court refinancing opportunities to secure a financial deleveraging transaction and to generate additional liquidity for ongoing operations and capital necessities, including exploring opportunities to raise financing on a junior lien basis from certain of the Noteholders or third party lenders. The Debtors engaged Evercore Group L.L.C. ("**Evercore**") as their financial advisor, Bracewell LLP ("**Bracewell**") as legal advisor and AP Services, LLC ("**APS**") as restructuring advisor, to assist them with exploring strategic alternatives in a manner that would maximize value for all stakeholders. As market conditions continued to deteriorate, however, the Debtors' ability to access the credit markets became foreclosed and the Debtors recognized that a near-term solution to their liquidity ~~constrains~~constraints could only be achieved with their existing lenders.

With the assistance of their advisors, the Debtors engaged the major constituents in their capital structure in an attempt to negotiate a consensual restructuring. At first, the Debtors negotiated with a group holding approximately 42% of the Prepetition Secured Facility and a majority of the Debtors' Convertible Notes (the "**Crossholder Group**") on an out-of-court restructuring in which members of the Crossholder Group would contribute additional capital to the Debtors' business on a junior lien basis. While discussions with the Crossholder Group were productive, ultimately they failed to yield a viable and comprehensive out-of-court solution for the Debtors. Accordingly, the Debtors focused on negotiating the terms of a consensual chapter 11 process.

Beginning in September 2015, the Debtors also engaged with an ad hoc group of holders holding a majority of the Prepetition Secured Facility debt (the "**Ad Hoc Group of Lenders**") to consider restructuring alternatives in the absence of additional capital from the Crossholder Group or a third-party provider. In such a scenario, the Debtors discussed the equitization of substantially all of their funded debt through a chapter 11 plan, considering the parties' views with respect to the Debtors' valuation, debt capacity, potential pro forma capital structures, and projected creditor recoveries. In light of the significant cross-holdings of several key institutions of Prepetition Secured Claims and Convertible Notes Claims, however, the only way that the Debtors could ~~have~~achieve a confirmable chapter 11 plan was by securing a consensual restructuring supported by the Ad Hoc Group of Lenders and the Crossholder Group, which ultimately resulted in an agreed division of the Reorganized Debtors' New Common ~~Shares~~Interests between the two groups.

In the weeks leading up to the Petition Date, the Debtors and their advisors met with the Crossholder Group and the Ad Hoc Group of Lenders, and their respective advisors on multiple

occasions. To meet liquidity needs while the lenders did necessary operational due diligence, the Debtors sold substantially all of their in-the-money swaps and options to hedging counterparties to generate approximately $71.7 million in incremental liquidity. In addition, the Debtors entered into payment plans with key trade vendors to extend their runway, halted nearly all drilling operations by September 28, 2015 and reduced headcount and overhead expenses. Ultimately, however, the Debtors' could not secure the agreement of the Ad Hoc Group of Lenders and the Crossholder Group on a pre-negotiated chapter 11 plan before commencement of the Involuntary Proceeding. involuntary proceeding. As a result, to effectuate the necessary restructuring, the Debtors commenced the Chapter 11 Cases.

ARTICLE IV
THE CHAPTER 11 CASES

Section 4.01 Overview of Chapter 11

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Chapter 11 authorizes a debtor to reorganize its business for the benefit of its creditors, equity interest holders, and other parties in interest. Commencing a chapter 11 case creates an estate that comprises all of the legal and equitable interests of the debtor as of the filing date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "debtor in possession."

The principal objective of a chapter 11 case is to consummate a plan of reorganization. A plan of reorganization sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan of reorganization by a bankruptcy court binds a debtor, any issuer of securities thereunder, any person acquiring property under the plan, any creditor or equity interest holder of a debtor, and any other person or entity the bankruptcy court may find to be bound by such plan. Chapter 11 requires that a plan treat similarly situated creditors and similarly situated equity interest holders equally, subject to the priority provisions of the Bankruptcy Code.

Subject to certain limited exceptions, the bankruptcy court order confirming a plan of reorganization discharges a debtor from any debt that arose prior to the date of confirmation of the plan and provides for the treatment of such debt in accordance with the terms of the confirmed plan of reorganization.

Prior to soliciting acceptances of a proposed plan of reorganization, Bankruptcy Code section 1125 requires a debtor to prepare a disclosure statement containing information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the plan of reorganization. This Disclosure Statement is submitted in accordance with Bankruptcy Code section 1125.

Section 4.02 Administration of these Chapter 11 Cases

1. ***First-day Motions***

On the Petition Date, or soon thereafter, the Debtors filed numerous first-day motions (the "**First Day Motions**"), the object of which was to streamline the transition to operating under chapter 11, to stabilize operations, and to preserve their relationships with vendors, customers, royalty interest owners and employees. These ~~first-day motions~~First Day Motions requested, among other things, authority to (i) jointly administer the Chapter 11 Cases for procedural purposes only; (ii) continue to operate the Debtors' existing cash management system and continue the use of existing bank accounts and business forms; (iii) pay prepetition compensation, wages, salaries and other reimbursable employee expenses; (iv) pay certain taxes that the Debtors are required to collect and remit to appropriate taxing authorities; (v) continue prepetition insurance coverage and related practices; (vi) pay certain owners of royalty and working interests in the Debtors' leaseholds and pay the costs of maintaining the leases; and (vii) continue to pay for utility services. The ~~first-day motions~~First Day Motions and all orders for relief granted in the Chapter 11 Cases can be viewed free of charge at ~~http://cases.primeclerk.com/enxp.~~http://cases.primeclerk.com/ENXP.

2. ***Appointment of the Creditors Committee***

On December 16, 2015, the United States Trustee, pursuant to section 1102 of the Bankruptcy Code, appointed a five-member committee to represent the interests of unsecured creditors (the "**Creditors Committee**") in the Chapter 11 Cases. The current members of the Creditors Committee are set forth below:

U.S. Bank National Association (Committee Chair)

Cactus Pipe & Supply, LLC

Chesapeake Exploration LLC

Horizon Mud Co., Inc.

R.R. Donnelley

Arent Fox LLP and Cole Schotz P.C. are co-counsel for the Creditors Committee and FTI Consulting is the financial advisor.

3. ***Debtor in Possession Financing***

As indicated above, the Debtors lacked the requisite liquidity to fund a pre-negotiated deal with its lenders. Accordingly, the Debtors undertook extensive efforts prior to filing to secure the most favorable debtor in possession financing ("**DIP Financing**"). For the Debtors, the DIP Financing was not only critical to fund the Debtors' operations during the Chapter 11 Cases but also to provide them liquidity to pursue a chapter 11 plan (rather than an expedited sale).

The Debtors negotiated with the Ad Hoc Group of Lenders, the Crossholder Group and various third parties to secure DIP Financing while attempting to continue overall restructuring discussions with the lenders on a parallel path.[17] In looking at financing alternatives, the Debtors put a premium on a consensual deal that allowed all bank lenders to participate while giving the Debtors the ability to propose and consummate a chapter 11 plan of reorganization on reasonable timeframes. Given the Debtors had never marketed their material assets prepetition, and given the current dislocation of the market, the Debtors were firm that, in their business judgment, an expedited sales process was not the right path for maximizing value.

Following a robust marketing campaign, the Debtors were able to secure six non-binding term sheets for DIP Financing both from existing creditors and third parties. To improve on all of the proposals, and in an effort to get to a consensual deal that avoided a costly priming fight, the Debtors engaged in extensive, good-faith, arm's-length discussions on multiple paths to improve the financing terms before proceeding with definitive documentation. Ultimately, the Debtors' Board, in consultation with its advisors, selected the financing proposal offered by the Crossholder Group, which provided the Debtors with up to $135 million in DIP Financing, on a priming basis, as the best financing proposal available to them (the "**Initial DIP Financing**").

On the Petition Date, the Debtors filed the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Obtain Priming and Superpriority Postpetition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e) and (B) Use Cash Collateral Pursuant to 11 U.S.C. § 363, (II) Granting Adequate Protection Pursuant to 11 U.S.C. §§ 361, 362, 363, and 364, (III) Scheduling a Final Hearing Pursuant to Bankruptcy Rules 4001(b) and (c) and (IV) Granting Related Relief* (the "**DIP Motion**") [Dkt. No. 16] requesting authority to enter into the Initial DIP Financing offered by the Crossholder Group. The Ad Hoc Group of Lenders objected to the DIP Motion and instructed the Agent under the Prepetition Secured Facility to not consent to the priming of the Agent's prepetition liens by the Initial DIP Financing. In addition, the Ad Hoc Group of Lenders offered the Debtors a $10 million interim DIP financing on a junior basis and their commitment to provide longer-term financing for the Chapter 11 Cases on substantially similar terms as the Initial DIP Financing (the "**Interim DIP Facility**"). Given that the Interim DIP Facility proposed by the Ad Hoc Group of Lenders provided the Debtors with sufficient liquidity to operate pending a final

[17] Additional testimony regarding the DIP Financing is contained in the *Declaration of Lloyd Sprung in Support of the Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Obtain Priming and Superpriority Postpetition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e) and (B) Use Cash Collateral Pursuant to 11 U.S.C. § 363, (II) Granting Adequate Protection Pursuant to 11 U.S.C. §§ 361, 362, 363 and 364, (III) Scheduling a Final Hearing Pursuant to Bankruptcy Rules 4001(b) and (c) and (IV) Granting Related Relief* ~~(the "Sprung Declaration")~~ and the *Declaration of Timothy Carlson in Support of the Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Obtain Priming and Superpriority Postpetition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e) and (B) Use Cash Collateral Pursuant to 11 U.S.C. § 363, (II) Granting Adequate Protection Pursuant to 11 U.S.C. §§ 361, 362, 363 and 364, (III) Scheduling a Final Hearing Pursuant to Bankruptcy Rules 4001(b) and (c) and (IV) Granting Related Relief* ~~(the "Carlson Declaration")~~ filed concurrently with the DIP Motion~~.~~ (as hereinafter defined).

hearing on the DIP Motion, and having determined that they could not satisfy the requirements for obtaining a priming DIP under the Bankruptcy Code ~~if~~in light of the financing available to them on a junior basis~~ was available to them~~, at the first day hearing, the Debtors sought approval for the Interim DIP Facility from the Ad Hoc Group of Lenders. On December 10, 2015, the Bankruptcy Court granted an order authorizing the Debtors to enter into the Interim DIP Facility~~.~~ (the "**Interim DIP Order**").

For the next approximately thirty (30) days, the Debtors and the Ad Hoc Group of Lenders negotiated the terms of a $100 million DIP ~~Financing~~financing facility ~~(the "**Final DIP Facility**")~~ on substantially similar terms to the ~~Crossholder~~Interim DIP financing that would be supported by the Ad Hoc Group of Lenders and the Agent under the Prepetition Secured Facility, who would consent to the priming of its liens~~ in connection with the Final DIP Facility.~~. Prior to the filing of definitive documentation, however, the Ad Hoc Group of Lenders and Crossholder Group came to an agreement on financing terms that could be supported by both groups. In connection with this new DIP, the lenders reduced the size of the ~~Final DIP Facility~~facility to $70 million to account for the financing being provided on a consensual basis and required expedited milestones for the Debtors' exit from chapter 11~~.~~ (the "**Final DIP Facility**").

~~A~~After further negotiations and in response to various objections to the Final DIP Facility filed with the Bankruptcy Court, the Debtors filed a revised DIP credit agreement~~ was filed~~ on January 26, 2016, which (i) reduced the size of the Final DIP Facility to $40 million, (ii) increased certain fees and the interest rate to account for perceived market risk by the DIP Lenders and (iii) removed $30 million of proposed adequate protection payments to the ~~prepetition lenders.~~Prepetition Secured Lenders. After extensive negotiations, the parties also consensually resolved the Creditors Committee's objections to the DIP Facility. At a final hearing on January 29, 2016, the Court approved the Final DIP Facility and entered the *Order (I) Authorizing Debtors to (A) Obtain Priming and Superpriority Postpetition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e) and (B) use Cash Collateral Pursuant to 11 U.S.C. § 363, (II) Granting Adequate Protection Pursuant to 11 U.S.C. §§ 361, 362, 363 and 364, and (III) Granting Related Relief* (Dkt. No. 305) (the "**Final DIP Order**") over the ~~objections~~objection of~~ the Creditors' Committee,~~ the U.S. Trustee, and certain other parties.

~~Pursuant to the Final DIP Order, the Creditors' Committee was granted the ability to review and challenge the validity or enforceability of the prepetition secured claims and liens for 75 days from formation and a limited budget to do so. This investigation period expires on February 29, 2016.~~

~~Moreover, the~~The Final DIP Facility contains Plan and sale-related milestones requiring an expedited exit from chapter 11. Pursuant to the Plan milestones, the Debtors are required to obtain approval of the Disclosure Statement by March 18, 2016 and confirmation of the Plan on or prior to April 26, 2016. The Debtors are also required to consummate the Plan on or prior to May 13, 2016. If any of the Plan milestones are not met (such event, a "**Triggering Event**"), the Debtors must immediately commence a sale of substantially all of their assets, ~~ultimately requiring an~~with the attendant auction and sale to be consummated no later than 117 days after ~~a~~the applicable Triggering Event.

4. ***Filing of Schedules and Statement of Financial Affairs***

On February 3, ~~2015~~2016, the Debtors filed their Schedules of Assets and Liabilities (the "**Schedules**") and Statements of Financial Affairs (the "**Statements**") in compliance with section 521 of the Bankruptcy Code and Rule 1007 of the Federal Rules of Bankruptcy Procedure. The Schedules and Statement set forth, among other things, the Debtors' assets and liabilities, current income and expenditures, and executory contracts and unexpired leases. The Debtors' Schedules and Statements can be downloaded free of charge at https://cases.primeclerk.com/ENXP.

Limited amendments to the Schedules were subsequently filed by the Debtors on March 3, 2016 and March 8, 2016.

5. ***Establishment of the Bar Date***

The Bankruptcy Court entered the *Order (I) Establishing Bar Dates for Filing Proofs of Claim and (II) Approving the Form and Manner of Notice Thereof* (the "**Bar Date Order**"), on February 8, 2016. The Bar Date Order requires, among other things, all persons and entities (except governmental units) holding or wishing to assert a claim against the Debtors to file a proof of claim on or before March 14, 2016, at 4:00 p.m. (prevailing Central Time) (the "**General Bar Date**"). Governmental units must file proofs of claim by June 6, 2016 at 4:00 p.m. (prevailing Central Time). The Bar Date Order also set ~~Bar Dates~~a bar date for claims arising from the rejection of executory contracts and for claims arising from ~~the Debtors'~~any amendments to the Schedules~~ of Assets and Liabilities (if any).~~. The procedures for filing proofs of claim are detailed in the Bar Date Order and parties are encouraged to review the Order.

In accordance with the Bar Date Order, the Debtors mailed~~, or will mail,~~ notices to Creditors of the last date to timely file Proofs of Claim and a "customized" ~~Proof~~proof of ~~Claim~~claim form, reflecting the nature, amount and status of each Creditor's claims as reflected in the Schedules. The Debtors ~~will~~ also ~~publish~~published notice of the ~~Bar Dates~~bar dates in USA Today and numerous regional publications. The ~~Bar Date~~bar date for filing~~ of~~ Administrative Expense Claims, including substantial contribution claims will be the date that is thirty (30) days after the Effective Date.

6. ***The Restructuring Support Agreement***

On February 10, 2016, the Debtors and RSA Creditor Parties (holding, collectively, 93.8% of the Debtors' secured debt and 78.8% of the unsecured bond debt) agreed to terms on a Restructuring Support Agreement that provides for the reorganization of the Debtors as a going concern with a significantly deleveraged capital structure. Notably, the RSA includes an agreement between the prepetition lenders to convert almost all of the Debtors' prepetition funded debt into equity of the Reorganized Debtors. The Debtors filed a motion for approval of the RSA on the same date.

In accordance with the RSA, the RSA Creditor Parties have agreed to support the Plan. In addition, although ~~other~~unsecured creditors are contractually subordinate to the prepetition bank debt and, therefore, deeply out of the money, pursuant to the RSA (and the Plan), the bank

lenders have agreed to permit distributions to holders of both ~~convertible note claims~~Convertible Notes Claims and general unsecured claims. The obligations of the RSA Creditor Parties under the RSA are subject to certain milestones set forth therein including the following:

(i) No later than February 10, 2016, the Debtors shall file with the Bankruptcy Court a motion seeking approval of the RSA;

(ii) no later than February 10, 2016, the Debtors shall file with the Bankruptcy Court: (i) the Plan; (ii) the Disclosure Statement; and (iii) a motion seeking (the "**Disclosure Statement and Solicitation Motion**"), among other things, (A) approval of the Disclosure Statement, (B) approval of procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan, and (C) to schedule the hearing to consider confirmation of the Plan;

(iii) no later than March 18, 2016, the Bankruptcy Court shall have entered an order authorizing the assumption of or the Debtors' entry into the RSA;

(iv) no later than March 18, 2016, (i) the Bankruptcy Court shall have entered an order approving the Disclosure Statement and the relief requested in the Disclosure Statement and Solicitation Motion and (ii) no later than three (3) business days after entry of the order approving the Disclosure Statement, the Debtors shall have commenced ~~solicitation~~Solicitation on the Plan by beginning mailing of the Solicitation ~~Materials~~Packages to parties eligible to vote on the Plan;

(v) no later than April 21, 2016, the Bankruptcy Court shall have commenced the Confirmation Hearing;

(vi) no later than April 26, 2016 the Bankruptcy Court shall have entered the Confirmation Order; and

(vii) no later than May 13, 2016, the Debtors shall consummate the transactions contemplated by the Plan.

The failure to meet any of the milestones may result in a "Triggering Event," which would require the Debtors to immediately commence a sale process in accordance with the 363 Sale Term Sheet appended to the RSA. The Sale Term Sheet contemplates a stalking horse credit bid by the secured lenders, as well as certain other protections customary for stalking horse purchases in a sale under section 363 of the Bankruptcy Code.

The Debtors believe that the RSA (and the Plan which is premised on it) is the best opportunity for the Debtors to reorganize under a chapter 11 plan as a going concern, continue their day-to-day operations substantially as currently conducted, and exit chapter 11 with a new capital structure and more appropriate leverage.

7. ***NOL Trading Order***

The Debtors believe they may have substantial net operating losses ("**NOLs**") for federal and state income tax purposes, which they may use or "carry forward" to reduce future tax liability for up to 20 years after the year in which such net operating losses were generated. To preserve these estate assets, the Debtors anticipate seeking an order from the Bankruptcy Court requiring notice to ENXP of (i) any proposed acquisition or disposition of existing Interests by a person who is or would become a Substantial Shareholder,[18] and (ii) any attempt by a "50-percent shareholder" (within the meaning of section 382(g)(4)(D) of the Tax Code) of ENXP to claim a worthless stock deduction on its U.S. federal income tax return with respect to its beneficial ownership in existing ENXP Interests pursuant to section 165(g) of the Tax Code.

The Debtors' proposed motion (the "**Trading Motion**") seeks authority for a narrowly-tailored set of notice provisions designed to give the Debtors an opportunity to prevent certain transfers of stock or claims of worthless stock deduction, which could otherwise impede the Debtors' ability to use their NOLs. The notice provisions sought by the Debtors will not automatically disallow any such transfers or claims, but rather only provide the Debtors with sufficient notice and an opportunity to explore and, if necessary, prevent such transfers or claims.

The Trading Motion, upon approval by the Bankruptcy Court,The Debtors have certain tax attributes, which include, in addition to substantial depreciable and amortizable tax basis in their assets, substantial net operating losses ("**NOLs**") for federal, state and local income tax purposes (collectively, including NOLs, the "**Tax Attributes**"). To preserve these estate assets, the Debtors filed the *Debtors' Motion for Entry of an Order Approving Notification and Hearing Procedures for Certain Transfers of Equity Securities, Exercises of Warrants and Worthless Stock Deductions with respect to Equity Securities* on February 17, 2016 [Dkt. No. 394] (the "**Trading Motion**") seeking an order approving certain notification and hearing procedures (the "**Procedures**"), substantially in the form attached to the Trading Motion as **Exhibit 1**, related to certain transfers of, exercises of warrants for and claims of Worthless Stock Deductions[19] with respect to, the ENXP Common Stock and the Preferred Stock, any right to purchase any of the foregoing or any other Beneficial Ownership[20] therein (respectively, the "**Common Stock**," the

[18] A "Substantial Shareholder" is any entity as defined in Reg. 1.382-3(a)(1) or individual that beneficially owns at least (A) 19,237 shares of ENXP Common Stock (4.5%), (B) 10,617 shares of Series A Preferred Stock (4.5%), or (C) 4,699 shares of Series B Preferred Stock (4.5%) as of December 23, 2015.

[19] "**Worthless Stock Deduction**" means any attempt by any entity as defined in Treasury Regulations §1.382-3(a)(1) or individual to claim a loss on its U.S. federal income tax return with respect to Beneficial Ownership of Equity Securities pursuant to section 165(g) of the Internal Revenue Code of 1986, 26 U.S.C. §§ 1–9834, as amended (the "**IRC**"), the applicable Treasury Regulations thereunder (the "**Treasury Regulations**") and rulings issued by the Internal Revenue Service (the "**IRS**"). An "**Entity**" shall have the meaning ascribed to that term in Treasury Regulations §1.382-3(a).

[20] "**Beneficial Ownership**" shall be determined for these purposes in accordance with the applicable rules of section 382 of the IRC and the Treasury Regulations and shall include non-stock instruments treated as stock for U.S. federal income tax purposes under Revenue Ruling 82-150, 1982-2 C.B. 110, or Treasury Regulations §1.382-2T(f)(18)(iii), including direct and indirect ownership (e.g., a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries and a partner in a partnership would be considered to own its proportionate share of any equity securities owned by such partnership), ownership by attribution and constructive ownership, which includes ownership by such holder's family members and related

"**Series A Preferred Stock**" and "**Series B Preferred Stock**" and together with the warrants therefor, the "**Equity Securities**"), (ii) directing that any purchase, sale, other transfer, or exercise of warrants for the purchase of, any Equity Securities or claims of Worthless Stock Deductions with respect to any Equity Securities, in each case in violation of the Procedures shall be null and void *ab initio*, and (iii) granting related relief. The Court entered an order approving the Trading Motion on [DATE] [Dkt. No. [#]].

The Trading Motion provides for a narrowly-tailored set of Procedures designed to restrict certain transfers of Beneficial Ownership of the Equity Securities, certain exercises of warrants, and claims of Worthless Stock Deductions by certain Beneficial Owners to help ensure the preservation of the Debtors' Tax Attributes, subject to such Beneficial Owners giving advance notice of the transaction and opportunity for the Debtors to object to such transaction pursuant to the Procedures. The Trading Motion provides that any transaction not in compliance with the Procedures shall be null and void.

The Procedures outlined in the Trading Motion shall remain enforceable beyond the Effective Date with respect to Persons having "Beneficial Ownership" of ENXP Common Stock. The Trading Motion has no applicability or effect with respect to the trading of New Common ~~Shares~~Interests on or after the Effective Date.

8. ***New Gulf Litigation***

ENXP is a party to two Joint Operating Agreements (each, individually, a "**JOA**" and collectively, the "~~**New Gulf**~~ **JOAs**") with New Gulf Resources, LLC ("**New Gulf**"), dated April 19, 2012 and June 1, 2012, respectively. The ~~New Gulf~~ JOAs govern the parties' exploration, development and production of oil and gas in certain areas of Grimes, Madison and Walker Counties, Texas.

On February 25, 2014, New Gulf entered into an Agreement of Sale and Purchase (the "**PSA**") with Halcón and certain of its affiliates (collectively, the "**Halcón Affiliates**") and Halcón Field Services, LLC ("**HFS**"). Pursuant to the PSA, New Gulf purchased oil and gas assets from the Halcón Affiliates, including the ~~New Gulf~~ JOAs, as well as certain midstream assets from HFS, including a gas gathering system, effective as of April 1, 2014. Upon closing, New Gulf became a party to the ~~New Gulf~~ JOAs as the successor in interest.

The Debtors have outstanding claims against New Gulf relating to the ~~New Gulf~~ JOAs pending in the United States District Court for the Southern District of Texas. The Debtors are

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entities, and, in certain cases, ownership of equity securities that such holder has an Option (as defined below) to acquire. An "**Option**" to acquire stock includes any contingent purchase, warrant, convertible debt, put, call, stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether it is contingent or otherwise not currently exercisable, including, but not limited to the warrants for purchase of ENXP, Inc.'s Series A Preferred Stock (the "**Series A Warrants**") and Series B Preferred Stock (the "**Series B Warrants**", and together with the Series A Warrants, the "**Warrants**"), to the extent not already treated as stock for U.S. federal income tax purposes, e.g., under Revenue Ruling 82-150 or Treasury Regulations §1.382-2T(f)(18)(iii).

trying to recoverseeking approximately $15 million in damages from New Gulf's sale of certain midstream assets consummated without proper notice to the Debtors in violation of the New Gulf JOAs. Additionally, the Debtors are defendants in an actionthree Texas state court actions by New Gulf to recover production costs allegedly owed to New Gulf, which the Debtors believe were improperly incurred by New Gulf under the terms of the JOAs. The Debtors are vigorously pursuing these and other actions against New Gulf.

On December 17, 2015, New Gulf commenced chapter 11 cases in the United States Bankruptcy Court for the District of Delaware (the "**Delaware Bankruptcy Court**") (Case No. 15-12566). Because the Debtors are creditors of New Gulf under the New Gulf JOAs and intend to continue to preserve their claims in the Southern District of Texas, the Debtors have taken an active role in New Gulf's bankruptcy and have objected to, among other items, New Gulf's motion to assume the New Gulf JOAs, New Gulf's Disclosure Statement and New Gulf's debtor-in-possession financing.

Following the Debtors' preliminary and supplemental objections to New Gulf's motion to assume the JOAs, the Delaware Bankruptcy Court determined it would be inappropriate to finally dispose of the Debtors' claims relating to the JOAs within the context of the assumption motion. Instead, the Delaware Bankruptcy Court ordered that an estimation hearing be held to determine an appropriate reserve amount to provide the Debtors with "adequate assurance" of a prompt cure after there is a merits determination on the claims.

The estimation hearing is currently scheduled for April 11, 2016 and is to be preceded by fact and expert discovery according to an agreed-upon schedule. The parties have served discovery requests on each other, and document productions relating to these requests are forthcoming. While discovery regarding the assumption motion estimation proceeding continues, the Debtors and New Gulf continue to engage in informal settlement discussions in the hopes of reaching a global resolution.

On February 8, 2016, New Gulf filed a *Motion for an Order Directing Assumption or Rejection of Joint Operating Agreements* in these Chapter 11 Cases [Dkt. No. 362], compelling the Debtors to assume or reject the New Gulf JOAs. On March 4, 2016, the Debtors objected to this motion [Dkt. No. 465]. A hearing on or beforeNew Gulf's motion has been scheduled for March 18, 2016.

On March 8, 2016., the Debtors served New Gulf with discovery requests concerning confirmation of New Gulf's proposed plan of reorganization. The Debtors intend to objectdeadline for completion of fact and expert discovery regarding confirmation of New Gulf's plan of reorganization is currently March 24, 2016. The confirmation hearing for New Gulf's plan of reorganization is currently scheduled for April 11, 2016.

9. ***Baker Hughes Settlement***

On December 15, 2015, the Debtors filed the *Debtors' Motion for Entry of an Order (A) Authorizing Assumption of Exclusive Provider Agreement Pursuant to* such assumption motion *Section 365(a) of the Bankruptcy Code and (B) Granting Related Relief* [Dkt. No. 115] (the

"**Baker Hughes Assumption Motion**"). Generally, the Baker Hughes Assumption Motion contemplated the Debtors assuming that certain *Exclusive Provider Agreement* (the "**EPA**") with Baker Hughes Oilfield Operations, Inc. ("**Baker Hughes**"), by which the Debtors lease certain electrical submersible pumps and related equipment necessary to maximize production in due course.the Fort Trinidad Field. The Baker Hughes Assumption Motion included a cure amount of $970,000 for the EPA. Baker Hughes filed a limited objection, arguing that the cure amount was actually more than $2,000,000 and in order to assume the EPA, the Debtors also had to assume that certain **Master Service Agreement** (the "**MSA**" and, together with the EPA, the "**Contracts**").

The Debtors and Baker Hughes met to resolve the objection and ultimately agreed to the terms of that certain *Amended Assumption and Settlement Agreement* (the "**Settlement Agreement**"), which is attached as **Exhibit A** to the *Debtors' Expedited and Amended Motion for Entry of an Order (A) Authorizing Assumption of Amended Exclusive Provider Agreement and Master Service Agreement Pursuant to Section 365(a) of the Bankruptcy Code and (B) Granting Related Settlement Agreement and Release of Liens Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure* [Dkt. No. 452] (the "**Amended Baker Hughes Assumption Motion**"). Pursuant to the Settlement Agreement, in return for significantly improved contractual terms and rates, the Debtors will assume the Contracts with a cure amount of (a) a one-time cash payment of $550,000 and (b) the assignment and conveyance to Baker Hughes of certain real property and equipment no longer needed to maximize returns from the Debtors' operations. The Debtors and Baker Hughes also agree to mutually release each other from, among other things, any claims or potential causes of action, including tort and contractual claims.

The Amended Baker Hughes Assumption Motion and the Settlement Agreement are scheduled to be heard by the Bankruptcy Court on March 18, 2016.

9.10. ***Preference Analysis and Other Potential Avoidance Actions***

The Bankruptcy Code preserves the Debtors' rights to prosecute claims and causes of action which exist outside of bankruptcy, and also empowers the Debtors to prosecute certain claims that are established by the Bankruptcy Code, including claims to avoid and recover preferential transfers and fraudulent conveyances. With the exception of the Assigned Avoidance ActionsEstate Claims, the Plan transfers all of the Debtors' and their estates' rights in respect of all Avoidance Actionscauses of actions to the Reorganized Debtors.

IN REVIEWING THIS DISCLOSURE STATEMENT AND THE PLAN, AND IN DETERMINING WHETHER TO VOTE IN FAVOR OF OR AGAINST THE PLAN, HOLDERS OF CLAIMS AND INTERESTS (INCLUDING PARTIES THAT RECEIVED PAYMENTS FROM THE DEBTORS WITHIN NINETY (90) DAYS PRIOR TO THE PETITION DATE) SHOULD CONSIDER THAT A CAUSE OF ACTION MAY EXIST AGAINST THEM, THAT THE PLAN PRESERVES ALL CAUSES OF ACTION, AND THAT THE PLAN AUTHORIZES THE REORGANIZED DEBTORS (AND, WITH RESPECT TO THE ASSIGNED AVOIDANCE ACTIONSESTATE CLAIMS, THE

GENERAL UNSECURED CREDITORSCREDITOR TRUST) TO PROSECUTE THE SAME.

All rights, if any, of a defendant to assert a claim arising from relief granted in an Avoidance Actionavoidance action, together with the Reorganized Debtors' right to oppose such claim are fully preserved. Any such claim that is Allowed shall be entitled to treatment and distribution under the Plan as a General Unsecured Claim.

10.11. ***Other Litigation Matters***

In the ordinary course of business, the Debtors are parties to a number of lawsuits, legal proceedings, collection proceedings, and claims arising out of their business operations. The Debtors cannot predict with certainty the outcome of these lawsuits, legal proceedings and claims.

With certain exceptions, the filing of the Chapter 11 Cases operates as a stay with respect to the commencement or continuation of litigation against the Debtors that was or could have been commenced before the commencement of the Chapter 11 Cases. In addition, the Debtors' liability with respect to litigation stayed by the commencement of the Chapter 11 Cases generally is subject to discharge, settlement and release upon confirmation of a plan under chapter 11, with certain exceptions.

Below are short descriptions of some of the other legal proceedings pending against the Debtors as of the Petition Date:

T.B. Farms, Ltd. On February 2, 2015, T.B. Farms, Ltd. filed a petition in the 278th Judicial District Court for Madison County, Texas against ENXP Operating, concerning a 122.5 acre oil and gas lease located in Madison County, Texas (the "**Lease**") in which ENXP Operating owns an operating interest. T.B. Farms alleges that the Lease has terminated due to cessation in production and seeks a declaratory judgment that the Lease has terminated and that all the mineral interests held subject to the Lease have reverted to T.B. Farms. The suit seeks unspecified money damages, attorneys' fees and court costs. ENXP Operating has filed a response denying the allegations made by T.B. Farms. A trial date has been postponed and is not currently scheduled.

Weber Energy. On April 8, 2013, Weber Energy Corporation filed a petition in the 506th Judicial District Court for Grimes County, Texas against ENXP LLC concerning oil and gas leases located in Grimes County, Texas. Weber alleges that ENXP LLC tortuously interfered with and slandered title to oil and gas leases previously assigned to them and seeks damages in an unspecified amount. ENXP LLC has filed a response and co-defendants have filed a motion for partial summary judgment. A hearing on the matter is currently continued to a date to be determined.

Tinsley. On May 20, 2014, Alan Tinsley ("Tinsley") filed a petition in the 12th Judicial District Court for Madison County, Texas against ENXP LLC concerning two leases in Madison County, Texas. Tinsley alleges that ENXP LLC breached the terms of the leases by (i) refusing

to release Tinsley's lands as required at the end of the primary term of the lease and (ii) failing to pay royalties on the production as is required under the leases. Additionally, Tinsley alleges that the ENXP LLC acted in a grossly negligent manner in performing drilling and completion operations in the lease units. Tinsley requests declaratory judgment that the terms of the leases have expired and alleges that ENXP LLC's acts constitute common law fraud and negligent misrepresentation. Tinsley seeks actual damages in the amount of $100,000, exemplary damages in an unspecified amount and attorneys' fees. ENXP LLC has filed a response generally denying the allegations set forth in Tinsley's petition. Currently no hearing date has been set for this matter.

11.12. ***Assumption and Rejection of Executory Contracts and Unexpired Leases***

Prior to the Petition Date and in the ordinary course of business, the Debtors entered into over one thousand Executory Contracts and Unexpired Leases. The Debtors, with the assistance of their advisors, are in the process of reviewing the Executory Contracts and Unexpired Leases to identify the contracts and leases to either assume or reject pursuant to sections 365 and 1123 of the Bankruptcy Code. As part of that process, on March 9, 2016, the Debtors filed their First Omnibus Motion for Entry of an Order Authorizing and Approving Rejection of Certain Executory Contracts and Unexpired Leases and (B) Granting Related Relief [Dkt. 496], which is currently scheduled to be heard on April 5, 2016.

The Plan provides that any Executory Contracts and Unexpired Leases that are not rejected during the Chapter 11 Cases or as part of the Plan will be assumed by the Reorganized Debtors. The Debtors intend to include information in the Plan Supplement regarding the assumption or rejection of their Executory Contracts and Unexpired Leases to be carried out as of the Effective Date, but may also elect to file additional discrete motions seeking to assume or reject various of the Debtors' Executory Contracts and Unexpired Leases before such time.

12.13. ***Exclusivity***

The Debtors have the exclusive right to file a plan in these bankruptcy cases until April 5, 2016, and the exclusive right to solicit acceptances until June 4, 2016. Although there is always a possibility that confirmation of the Plan will not occur, at this time, the Debtors do not contemplate the need to extend these dates.

ARTICLE V
CLASSIFICATION AND TREATMENT
OF CLAIMS AND INTERESTS

Section 5.01 Introduction

The categories of claims and interests set forth below are how claims and interests are classified under the Plan for all purposes, including for purposes of voting, confirmation and distribution pursuant to the Plan and Bankruptcy Code sections 1122 and 1123(a)(l). A claim or interest shall be deemed classified in a particular class only to the extent that it qualifies within the description of such class, and shall be deemed classified in other classes to the extent that any

portion of such claim or interest qualifies within the description of such other classes. Notwithstanding anything to the contrary in the Plan, a claim or interest shall be deemed classified in a class only to the extent that such claim or interest has not been paid, released, or otherwise settled prior to the Effective Date.

For purposes of voting and determining distributions under the Plan, the Debtors will be deemed consolidated and treated as equivalent to a single legal entity. This "deemed" consolidation means that claims filed against the Debtors will be considered to be a single claim against the consolidated Debtors. The Debtors believe that this Plan structure is beneficial to creditors as a whole and accomplishes a fairer distribution of value among creditors since most of the claims that will be asserted against the Debtors will be against entities that do not hold the Debtors' assets. The ~~prepetition lenders~~Prepetition Secured Lenders, who hold liens on most of the Debtors' assets, have agreed to this treatment.

This deemed consolidation will not affect (other than for purposes related to funding distributions under the Plan) the legal and organizational structure of the Debtors or pre and post-Petition Date guaranties, liens and security interests, any financing entered into on the Effective Date or pursuant to any contract or lease that is assumed under the Plan, or distributions out of any insurance policies or proceeds of policies.

All claims, except for Administrative Expense Claims, DIP Facility Claims and Priority Tax Claims, which are not classified pursuant to Bankruptcy Code section 1123(a)(l), are classified in the Plan as described below.

Section 5.02 Administrative Expense Claims

Administrative Expense Claims are claims constituting a cost or expense of administration of the Debtors' Chapter 11 Cases allowed under section 503(b) and 507(a)(1) of the Bankruptcy Code. Such claims include, without limitation, all actual and necessary costs and expenses of preserving the Debtors' estates, all actual and necessary costs and expenses of operating the Debtors' businesses, any indebtedness or obligations incurred or assumed by the Debtors, as debtors in possession, during these Chapter 11 Cases, all allowances of compensation and reimbursement of expenses to the extent allowed by Final Order under sections 330 or 503 of the Bankruptcy Code, and all fees or charges assessed against the Debtors' estates under section 1930 of title 28 of the United States Code. The Debtors estimate that aggregate Administrative Expense Claims shall not exceed $1,500,000, exclusive of Cure Costs, ordinary course trade payables, and professional fees.

The holder of an Allowed Administrative Expense Claim shall, on or as soon as practicable after the Effective Date, receive from its respective Debtor, in full satisfaction, release, settlement, and discharge of such Allowed Administrative Expense Claim, (i) payment in full in cash, (ii) other treatment consistent with sections 1129(a)(9)(C) and 1129(a)(9)(D) of the Bankruptcy Code, or (iii) such other terms as agreed to among the Debtors and the holders thereof, and consented to by the Requisite Supermajority Consenting Secured Lenders. Holders of Allowed Administrative Expense Claims will receive the full amount of their Allowed Administrative Expense Claims in one cash payment (or other payment terms consistent with the

Bankruptcy Code) or, if the Debtors and the holder of an Allowed Administrative Expense Claim agree to different treatment (with the consent of the Requisite Supermajority Consenting Secured Lenders), other treatment that does not provide a return to the holder having a present value as of the Effective Date in excess of the holder's Allowed Administrative Claim.

Allowed Administrative Expense Claims that arise in the ordinary course of the Debtors' businesses will be paid in the ordinary course of business by the Reorganized Debtors in accordance with the terms and subject to the conditions of any agreements governing or other documents relating to such transactions. Professional Fee Claimsfee claims shall be paid promptly by the Reorganized Debtors after being approved by the Bankruptcy Court, or in the case of Professional fee claimsFee Claims owed pursuant to the Final DIP Order or Interim DIP Order, pursuant to the terms of such orders.

Section 5.03 Fee Claims

(i) All final requests for compensation or reimbursement of Professional fees pursuant to Bankruptcy Code §§ 327, 328, 330, 331, 363, 503(b) or 1103 or pursuant to the Interim DIP Order or Final DIP Order (the "**Professional Fee Claims**") for services rendered to or on behalf of the Debtors before the Effective Date (other than substantial contribution claims under Bankruptcy Code § 503(b)(4)) must be filed with the Bankruptcy Court and served on the Reorganized Debtors and their counsel no later than thirty (30) days after the Effective Date, unless otherwise ordered by the Bankruptcy Court. Objections to applications of such Professionals or other entities for compensation or reimbursement of expenses must be filed with the Bankruptcy Court and served on the Debtors and the Reorganized Debtors and their counsel and the requesting Professional or other entity no later than twenty (20) days (or such longer period as may be allowed by order of the Bankruptcy Court) after the date on which the applicable application for compensation or reimbursement was served.

(ii) Professional fee claims for reasonable pre- and postpetition fees and expenses of Akin, Gump, Strauss, Hauer & Feld LLP and Centerview Partners, Inc., as advisors to the Ad Hoc Group of Noteholders, up to an aggregate amount of $2.1 million shall be payable by the Debtors upon the Effective Date, provided that the Plan is supported by GoldenTree Asset Management.

(iii) [As part of the settlement with the Creditors Committee, the fees and expenses of the Creditors Committee Professionals from March 14, 2016 until such time as the Creditors Committee is dissolved shall be subject to a cap of $[200,000] (the "**Committee Fee Cap**"). The "Monthly Fixed Fee" (as such term is defined in the Application to Employ FTI Consulting, Inc. as Financial Advisor to the Official Committee of Unsecured Creditors, Nunc Pro Tunc to December 16, 2015, Pursuant to 11 U.S.C. Sections 328(a) and 1103(a) [D.I. 180]) of FTI

Consulting, Inc. shall be prorated for the month containing the Effective Date, as calculated from the first of such month through and including the Effective Date.][21]

~~Section 5.03~~Section 5.04 The DIP Facility Claims

The DIP Facility Claims consist of the Claims of the DIP Lenders related to, arising under, or in connection with the Final DIP Facility, for all outstanding obligations thereunder incurred through and including the Effective Date, after taking into account the sum of all payments made to the DIP Lenders prior to the Effective Date on account of such claims (if any). The DIP Facility Claims are secured by a first priority lien on all assets of the Debtors. Additionally, the DIP Facility Claims constitute an ~~allowed~~Allowed senior administrative claim pursuant to Bankruptcy Code sections 364(c)(1) and 507(b) against the Debtors with priority over all valid claims, administrative expenses and adequate protection claims against the Debtors.

DIP Facility Claims shall be Allowed ~~claims~~ under the Plan in an aggregate amount equal to all obligations under the DIP Facility outstanding as of the Effective Date, as agreed to by the Debtors and the DIP Lenders, or, in the event of a dispute, by the Bankruptcy Court. On the Effective Date (or as soon thereafter as is practicable) the DIP Lenders shall receive, in full satisfaction, settlement, release, and discharge of, and in exchange for, the Allowed DIP Facility Claims, payment in full in ~~Cash~~cash to be provided from the proceeds of the Exit Facility ~~and the Proposed Equity Contribution~~.

~~Section 5.04~~Section 5.05 Priority Tax Claims

Priority Tax Claims are claims of governmental units for taxes entitled to priority pursuant to Bankruptcy Code section 507(a)(8). The Debtors estimate the aggregate ~~allowed amount of the~~Allowed claims in this class will be ~~$[ ].~~between $300,000 and $800,000.

Pursuant to the Plan, each holder of an Allowed Priority Tax Claim shall, in full satisfaction, release, and discharge thereof, receive (i) payment in full in ~~Cash~~cash, (ii) other treatment consistent with ~~the~~ sections 1129(a)(9)(C) or 1129(a)(9)(D) of the Bankruptcy Code, or (iii) such other terms as agreed to among the Debtors and the holders of Allowed Priority Tax Claims, subject to the consent of the Requisite Supermajority Consenting Secured Lenders.

~~Section 5.05~~Section 5.06 Class 1 – Other Priority Claims

Class 1 consists of claims (other than Administrative Expense Claims and Priority Tax Claims) that are entitled to priority under section 507(a) of the Bankruptcy Code. Such claims include claims for accrued employee compensation earned within ninety (90) days of the Petition Date to the extent of $12,475 per employee and certain contributions to employee benefit plans arising from services rendered within 180 days prior to the Petition Date. The Debtors estimate

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[21] Subject to Creditors Committee final approval.

that the aggregate allowedAllowed claims in this class will be approximately [ ].between $100,000 and $500,000.

Pursuant to the Plan, each holder of an Allowed claim in Class 1, on or as soon as practicable after the Effective Date, shall receive from its respective Debtor, in full satisfaction, release, settlement, and discharge of such claims, (i) payment in full in Cashcash, plus Post-Petition interestInterest, if applicable,[22] (ii) other treatment consistent with sections 1129(a)(9)(C) and 1129(a)(9)(D) of the Bankruptcy Code, or (iii) such other less favorable terms agreed to among the Debtors and holders thereof, subject to the consent of the Requisite Majority Consenting Secured Lenders.

Class 1 is unimpaired by the Plan. Each holder of an Allowed Other Priority Claim is conclusively presumed to have accepted the Plan (and to have consented to the releases in Article XII of the Plan) and is not entitled to vote on the Plan.

Section 5.06Section 5.07 Class 2 - Other Secured Claims

Class 2 consists of any secured claim against the Debtors other than the DIP Facility Claims and Prepetition Secured Claims. Other Secured Claims include statutory lien claims against the Debtors to the extent ultimately determined by the Bankruptcy Court to have liens senior to the liens securing the Prepetition Secured Facility (such claims "**Senior Statutory Lien Claims** against the Debtors."). Based on the Debtors' Schedules, the Debtors estimate that as of the Petition Date, the amount ofaggregate Allowed Other Secured Claimsclaims in this class, including Senior Statutory Lien Claims, would not exceed $10will be between 2,500,000 and 7,500,000.

Pursuant to the Plan, on the latest of (x) the Effective Date, (y) the date on which an Other Secured Claim becomes an Allowed claim, or (z) such other date as may be ordered by the Bankruptcy Court, or, in each case as reasonably practicable thereafter, each Allowed Other Secured Claim shall receive from its respective Debtor, in full satisfaction, release, settlement, and discharge of such claim, at the option of the Debtors, in consultation with the Requisite Supermajority Consenting Secured Lenders (i) payment in full in Cashcash, plus post-petition interestPost-Petition Interest, (ii) reinstatement or such other treatment sufficient to render the holder of such claim unimpaired pursuant to section 1124 of the Bankruptcy Code, or (iii) the return of the applicable collateral in satisfaction of the Allowed amount of such Other Secured Claim.

Class 2 is unimpaired by the Plan. Each holder of an Allowed Other Secured Claim is conclusively presumed to have accepted the Plan (and to have consented to the releases in Article XII of the Plan) and is not entitled to vote on the Plan.

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[22] For purposes of treatment of Other Priority Claims and Other Secured Claims, post-petition interestPost-Petition Interest shall be themean simple interest per annum at the Federal Judgment Rate, based on a three hundred sixty (360)-day year for the period from the Petition Date to, but excluding, the Effective Date.

Section 5.07Section 5.08 Class 3 – Prepetition Secured Claims

Class 3 consists of the claims of the Prepetition Secured Lenders related to, arising under, or in connection with the Prepetition Secured Facility to the extent of the liens securing such claims.

Pursuant to the Plan, each holder of an allowedAllowed claim in Class 3, on or as soon as practicable after the Effective Date, shall receive, in full satisfaction, release, settlement, and discharge of such claims, its *pro rata* share of (i) the $125.040 million New Term Loan, (ii) 10020% of the New Common SharesInterests, which shall be subject to dilution by the Management Incentive Plan, a Proposed Equity Contribution, if any, and/or the Noteholder Warrants (described belowwhen exercised) and (iii) 96.5% of the principal amount ofoption to purchase Rights Offering Interests in connection with the New Term Loan in excess of $125.0 millionRights Offering.

Claims in Class 3 are impaired by the Plan. Each holder of an allowedAllowed Prepetition Secured Claim is entitled to vote to accept or reject the Plan.

Section 5.08Section 5.09 Class 4 - Convertible Notes Claims

Class 4 consists of claims against ENXP related to, arising under, or in connection with the Convertible Notes Indenture.

As part of the settlement embodied in the RSA, which allows the Debtors a swift exit from chapter 11, removes significant threats of prolonged litigation in these Chapter 11 Cases, and enables the Debtors to provide distributions to other classes which ordinarily would not receive any distribution under the Debtors' financial circumstances, pursuant to the Plan, each holder of an allowedAllowed claim in Class 4, on or as soon as practicable after the Effective Date, shall receive, in full satisfaction, release, settlement, and discharge of such claim, subject to dilution by the Management Incentive Plan and/or a Proposed Equity Contribution, if any, such holder's *pro rata* share of (i) warrants exercisable into 3.500.7% of the New Common SharesInterests, which warrants shall be struck assuming a cashless exercise,[23] at an equity value equal to $195.0 million less the aggregate principal amount of debt outstanding as of the Effective Date, and will be exercisable at any time from the Effective Date until the seven (7) year anniversary thereof (the "**Noteholder Warrants**") and (ii) 3.50% of the principal amount of the New Term Loan in excess of $125 million. ").

Class 4 is impaired by the Plan. Each holder of an allowedAllowed Convertible Notes Claim is entitled to vote to accept or reject the Plan.

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[23] For the avoidance of doubt, such cashless exercise will result in a percentage of less than 3.50.7% of the New Common SharesInterests being granted to holders of Convertible Notes Claims on account of the Noteholder Warrants.

Section 5.09Section 5.10 Class 5 - General Unsecured Claims

Class 5 consists of General Unsecured Claims against the Debtors. General Unsecured Claims include any claim that is not a Secured Claim (*i.e.*, a Class 2 or Class 3 claim), not entitled to priority under the Bankruptcy Code, and not an Intercompany Claim, Convenience Claim, or Convertible Notes Claim. General Unsecured Claims may include claims arising from (a) the rejection of nonresidential real property leases and executory contracts, (b) claims of the Debtors' trade vendors, suppliers, and service providers, (c) Junior Statutory Lien Claims, (d) the deficiency claims of the Prepetition Secured LendersDeficiency Claims, and (e) and the Chesapeake Note Claims.

The Debtors estimate the amount of allowedAllowed General Unsecured Claims will aggregate between $[#]$47,000,000 and $[#].$50,000,000, exclusive of the Deficiency Claims. The actual amount of allowedAllowed General Unsecured Claims may be higher or lower than the Debtors' estimates, depending on the (i) amount of General Unsecured Claims filed by the General Bar Date, (ii) resolution of the Debtors' objections to General Unsecured Claims and (iii) the number of holders of allowedAllowed General Unsecured Claims that willingly reduce their claims to an amount of $1,000 in order to be counted as Convenience Claims. For Plan purposes the Deficiency Claims will be deemed Allowed in the amount of $718 million.

[Pursuant to the Plan, except to the extent that a holder of an allowed General Unsecured Claim has agreed to a different treatment, each holder of an allowedAllowed General Unsecured Claim, on or as soon as practicable after the Effective Date that is not a Deficiency Claim, shall receive from its respective Debtor, in full satisfaction, release, settlement, and discharge of such claim, such holder's *pro rata* share of $1 millionClass A Interests in the Creditor Trust. Holder of Deficiency Claims will receive their *pro rata* share of Class B Interests in the Creditor Trust.[24] On the Effective Date, the GUC Cash in the amount of $2,250,000 and the proceeds, if any, from the AssignedAssigned Estate Claims will be assigned to the Creditor Trust for the benefit of the Creditor Trust Beneficiaries. The Assigned Estate Claims will include, but are not limited to (i) Avoidance Actions.[25] The cost of pursuing or litigating any of the Assigned related to prepayment penalties paid by the Debtors prepetition on their funded debt, (ii) Avoidance Actions shall be deducted from the proceeds, ifrelated to the Fort Trinidad transaction, (iii) all claims based on avoidance theories under sections 547, 548, 550 or applicable state law, not

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[24] The Creditor Trust will be established pursuant to the Plan for the primary purpose of pursuing the Assigned Estate Claims and distributing any net proceeds therefrom and GUC Cash pursuant to this Plan, with no objective to continue or engage in the conduct of a trade or business.

[25] A litigation trust (the "Litigation Trust") shall be established pursuant to this Plan and become effective for the benefit of the Litigation Trust Beneficiaries on the Effective Date, for the primary purpose of pursuing the Assigned Avoidance Actions and distributing any net proceeds therefrom pursuant to this Plan, with no objective to continue or engage in the conduct of a trade or business. The Plan and the Litigation Trust Agreement shall govern the management and administration of the Litigation Trust and the respective rights, powers, and obligations of the Litigation Trustee and the Litigation Trust Beneficiaries. The Litigation Trust Agreement will be binding on all Litigation Trust Beneficiaries who shall be deemed to have executed the Litigation Trust Agreement as of the Effective Date.

otherwise designated as excluded by the Debtors and the Ad Hoc Group of Lenders, and (iv) director or derivative claims or causes of action against any Excluded Party, including but not limited to, for breach of fiduciary duty or aiding or abetting breach of fiduciary duty, or under and pursuant to any D&O or fiduciary insurance policies (including for bad faith) maintained by the Debtors; *provided, however*, that no causes of action may be brought against any, from the Assigned Avoidance Actions.] Released Persons or their Related Persons.

Class 5 is impaired by the Plan. Each holder of an allowedAllowed General Unsecured Claim is entitled to vote to accept or reject the Plan.

General Unsecured Claims do not include Intercompany Claims. On the Effective Date, or as soon as practicable thereafter, all Intercompany Claims shall be reinstated or compromised by the Reorganized Debtors, as applicable, consistent with their business plan and subject to the consent of the Requisite Majority Consenting Secured Lenders. Intercompany Claims will not be entitled to a distribution under the Plan.

Holders of allowed Prepetition Secured Claims shall be entitled to vote their deficiency claims in Class 5 but will not be entitled to any distribution under Section 4.05 of the Plan.

Section 5.10Section 5.11 Class 6 – Convenience Claims

Class 6 consists of General Unsecured Claims against the Debtors that are either (a) in the amount of $1,000 or less or (b) pursuant to an irrevocable agreement by the holder of such General Unsecured Claim, have been reduced to $1,000. The Debtors currently estimate that there are $15,785 worth ofthe aggregate Allowed General Unsecured Claims that constitute the Convenience Class.[26]claims in this class will be between $20,000 and $150,000.

Pursuant to the Plan, due to the administrative convenience Class 6 provides to the Debtors' estates, each holder of an allowedAllowed Convenience Claim, on or as soon as practicable after the Effective Date, shall receive from its respective Debtor, in full satisfaction, release, settlement, and discharge of such claim, payment in full in Cashcash in the amount of their allowedits Allowed Convenience Claim.

Class 6 is unimpaired by the Plan. Each holder of an allowedAllowed Convenience Claim is conclusively presumed to have accepted the Plan (and to have consented to the releases in Article XII of the Plan) and is not entitled to vote on the Plan.

Section 5.11Section 5.12 Class 7 – Preferred Stock

Class 7 consists of all interests represented by the Series A Preferred Shares and Series B Preferred Shares in ENXP (including the warrants to purchase such Preferred Stock).

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[26] Such estimate does not include any holders of Allowed General Unsecured Claims in excess of $1,000 that willingly reduce their Claims to an amount of $1,000 in order to be counted as Convenience Claims.

On or as soon as practicable after the Effective Date, all existing Preferred Stock interests (and all warrants to purchase such Preferred Stock interests) shall be extinguished and the owners thereof shall receive no distribution on account thereof.

Class 7 is impaired by the Plan. Each holder of Preferred Stock is conclusively presumed to have rejected the Plan and is not entitled to vote on the Plan.

~~Section 5.12~~Section 5.13 Class 8 – Interests

Class 8 consists of all ~~allowed~~Allowed Interests represented by the ENXP Common Stock.

On or as soon as practicable after the Effective Date, all existing shares of stock, options, warrants, and common equity interests in ENXP ~~Inc.~~ shall be extinguished and owners thereof shall receive no distribution on account of such stock, options, warrants, or equity interests.

For the avoidance of doubt, all ~~other~~ equity interests of the Debtors in their subsidiaries (other than the ENXP Common Stock) shall be retained or reinstated by the Reorganized Debtors as of the Effective Date and shall not be extinguished for the purpose of maintaining the existing corporate structure of the Debtors and Reorganized Debtors.

Class 8 is impaired by the Plan. Each holder of an ~~allowed~~Allowed Equity Interest is conclusively presumed to have rejected the Plan and is not entitled to vote on the Plan.

ARTICLE VI
MEANS FOR IMPLEMENTATION OF THE PLAN

Section 6.01 Organizational Documents

The Organizational Documents for the Reorganized Debtors will be amended and restated on the Effective Date to be in substantially the form set forth in the Plan Supplement, and in form and substance acceptable to the Requisite Supermajority Consenting Secured Lenders, in their sole discretion, without any further action by the directors or stockholders of the Debtors or the Reorganized Debtors. The amended and restated Organizational Documents will, among other things, contain appropriate provisions prohibiting the issuance of nonvoting equity securities to the extent required by § 1123(a)(6) of the Bankruptcy Code. On the Effective Date, or as soon as practicable thereafter, the Debtors or the Reorganized Debtors will, if required by applicable state law, file with the Secretary of State of the appropriate jurisdiction the amended and restated Organizational Documents. After the Effective Date, the Reorganized Debtors may amend and/or restate their respective Organizational Documents and other constituent documents as permitted by the laws of their respective states of formation and their respective Organizational Documents.

Section 6.02 Corporate Action

Each of the matters provided for by the Plan involving the corporate or limited liability company structure of the Debtors or the Reorganized Debtors, and any action under the Plan to

be taken by or required ~~or~~ of the Debtors of the Reorganized Debtors, whether taken prior to or as of the Effective Date, including, without limitation, (a) the adoption and filing of the Organizational Documents for each of the other Reorganized Debtors; (b) the authorization, issuance, and distribution of New Common ~~Shares~~Interests, the Noteholder Warrants, or any other securities and instruments; (c) the adoption, assumption ~~or~~, assumption and assignment, or rejection, as applicable, of Executory Contracts; (d) implementation of the Management Incentive Plan; (e) the selection of officers or directors/managers, and (f) the entry into the New Term Loan~~,~~ and the Exit Facility~~, any Proposed Equity Contribution,~~ and the execution and delivery of the definitive documentation with respect thereto, and implementation of the Restructuring Transactions shall each be authorized and approved in all respects, without any requirement of further action by any of the Debtors' or Reorganized Debtors' boards of directors or managers, as applicable, or security holders. The Debtors, the Reorganized Debtors, and the Disbursing Agent, as applicable, shall be authorized to execute, deliver, file, and record such documents (including the Plan Documents (defined below)), contracts, instruments, releases and other agreements and take such other action as may be necessary to effectuate and further evidence the terms and conditions of the Plan, without the necessity of any further Bankruptcy Court, corporate, board or security holder approval or action. In addition, the selection of the Persons who will serve as the initial directors, officers and managers of the Reorganized Debtors as of the Effective Date shall be deemed to have occurred and be effective on and after the Effective Date without any requirement of further action by the board of directors, board of managers, or stockholders of the applicable Debtor or Reorganized Debtor.

Section 6.03 Board of Directors of the Reorganized Debtors

On the Effective Date, the Reorganized Debtors will be managed by and under the direction of a new board of directors or other governing body, as they may be constituted from time to time pursuant to the Organizational Documents of the Reorganized Debtors and applicable nonbankruptcy law. The board of directors will be comprised of those individuals listed in the Plan Supplement.

The Board of Directors of the Reorganized Debtors shall have full power and authority to manage the business and affairs of the Reorganized Debtors.

Section 6.04 Management Incentive Plan

After the Effective Date, a management incentive plan shall be adopted by the Reorganized Debtors (the "**Management Incentive Plan**"). The Management Incentive Plan shall provide some combination of cash, options, and/or other equity-based compensation to the management of Reorganized ENXP as set forth in the Plan Supplement, which amount shall not exceed 10% of the New Common ~~Shares~~Interests of Reorganized ENXP, and shall dilute all of the New Common ~~Shares~~Interests (including New Common ~~Shares~~Interests to be issued upon the exercise of the Noteholder Warrants, if any, and through the Rights Offering) contemplated to be issued by the Plan. The maximum total aggregate amount of the New Common ~~Shares~~Interests of Reorganized ENXP that may be distributed to management under the Management Incentive Plan may not be increased absent the consent of the Requisite Supermajority Consenting Secured Lenders.

Section 6.05 Dissolution of ENXP; Continued Corporate Existence; Vesting of the Debtors' Property

ENXP shall be deemed dissolved for all purposes as and subject to the occurrence of the Effective Date without the necessity of any other or further actions to be taken by or on behalf of the Debtors or payments to be made in connection therewith; *provided, however*, that the Debtors will file with the Office of the Secretary of State for its state of incorporation a certificate of dissolution which may be executed by an officer of the Debtors without the need for approval of the ~~Board~~Debtors' board of ~~Directors~~directors or shareholders. From and after the Effective Date, the Debtors and Reorganized Debtors shall not be required to file any document, or take any other action, to withdraw ENXP's business operations from any states in which it previously conducted business. All property of ENXP's ~~Estate~~estate to be retained under the Plan shall be transferred on the Effective Date, without the necessity of any other or further action, to Reorganized ENXP LLC or such other Reorganized Debtor as determined by the Reorganized Debtors.

Except as otherwise provided in the Plan or the ~~confirmation order~~Confirmation Order, upon the Effective Date, each Debtor (other than ENXP) will, as a Reorganized Debtor, continue to exist after the Effective Date as a separate legal entity, with all of the powers of such a legal entity, in accordance with the applicable laws of the respective jurisdictions in which they are incorporated or organized and pursuant to such Reorganized Debtors' Organizational Documents and without prejudice to any right to alter or terminate such existence (whether by merger, dissolution or otherwise) under applicable law. On or after the Effective Date, each Reorganized Debtor, in its sole and exclusive discretion, may take such action as permitted by applicable law and such Reorganized Debtors' Organizational Documents, as such Reorganized Debtor may determine is reasonable and appropriate, including, but not limited to, causing: (i) a Reorganized Debtor to be merged into another Reorganized Debtor, or its subsidiary and/or Affiliate; (ii) a Reorganized Debtor to be dissolved; (iii) the legal name of a Reorganized Debtor to be changed; (iv) to reorganized under the laws of another jurisdiction; or (v) the closure of a Reorganized Debtors' case on the Effective Date or any time thereafter.

Except as otherwise provided in the Plan or the ~~confirmation order~~Confirmation Order, upon the Effective Date, all property of the Debtors' estates, including any property held or acquired by each Debtor or Reorganized Debtor under the Plan or otherwise, will vest in such Reorganized Debtor free and clear of all claims, liens, charges, other encumbrances, Interests, and other interests, except for the liens and claims established under the Plan; provided that causes of action against "Released Persons" as provided for in Article XII of the Plan will be waived and released by the Debtors and the Reorganized Debtors.

Except as otherwise provided in the Plan or the ~~confirmation order~~Confirmation Order, upon the Effective Date, each Reorganized Debtor may operate its business and may use, acquire, and dispose of property and maintain, prosecute, abandon, compromise, settle or otherwise dispose any claims or causes of action without supervision or approval by the Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, subject only to those restrictions expressly imposed by the Plan or the ~~confirmation order~~Confirmation Order as well as the documents and instruments executed and delivered in connection therewith, including the

documents, exhibits, instruments, and other materials comprising the Plan Supplement. Without limiting the foregoing, the Reorganized Debtors may pay the charges that they incur from and after the Effective Date for ~~Fee~~fee claims, disbursements, expenses, or related support services (including fees relating to the preparation of Professional fee applications) without application to, or the approval of, the Bankruptcy Court.

Except as otherwise provided in the Plan or the ~~confirmation order~~Confirmation Order, upon the Effective Date, the Reorganized Debtors may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan and the transactions therein, including: the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable entities may agree, including, without limitation, (1) the New Term Loan and the Exit Facility documentation; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree; (3) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion or dissolution pursuant to applicable state law, including such certificates to effectuate the dissolution of ENXP on the Effective Date; and (4) all other actions that the applicable entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law.

Section 6.06 Cancellation of Certain Indebtedness, Agreements, and Existing Securities

On or as soon as practicable after the Effective Date, except for the purposes of evidencing a right to a distribution under the Plan, and except as otherwise specifically provided for in the Plan or ~~confirmation order~~Confirmation Order, (i) the RSA, the Prepetition Secured Facility, the Convertible Notes Indenture, the Chesapeake Note, and any other certificate, note, bond, indenture, or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of any of the Debtors giving rise to any claim (except such certificates, notes, or other instruments or documents evidencing indebtedness or obligations of any Debtors that are specifically reinstated pursuant to the Plan), (ii) all Preferred Stock and other Interests and any certificate or other instrument or document directly or indirectly evidencing, convertible into or creating any Preferred Stock or other ~~Equity~~ Interest in ENXP as of immediately prior to the Effective Date, (iii) all registration rights, preemptive rights, rights of first refusal, rights of first offer, co-sale rights, and other investor rights governing or relating to any of the indebtedness, obligations, warrants, Preferred Stock, other Interests, or other items described in any of clauses (i) or (ii) above, and (iv) all obligations and liabilities arising under, related to, or in connection with, any of the items described in any of clauses (i)-(iii) above, in any such case, shall be deemed automatically extinguished, cancelled and of no further force and effect, without any further act, or action under any applicable agreement, law, regulation, order or rule, and the Debtors and the Reorganized Debtors shall not have any continuing obligations thereunder or with respect thereto; and the obligations of any of the Debtors and the Reorganized Debtors pursuant, relating, or pertaining to any agreements, indentures, purchase agreements,

certificates of incorporation, certificates of formation, by-laws, limited liability company agreements or similar documents governing or evidencing any of the items described in clauses (i)-(iv) above shall be released and discharged; and the holder of or parties to, or beneficiaries of, any of the items described in clauses (i)-(iv) above, will have no rights arising from or relating to, and will not be entitled to the benefits of, any such items or the cancellation thereof, except the rights expressly provided for pursuant to the Plan; *provided, however*, that notwithstanding the occurrence of the Effective Date, any such indenture or agreement that governs the rights of the holder of a claim shall continue in effect solely for purposes of allowing holders of such claims to receive distributions under the Plan.

Upon the payment or other satisfaction of an ~~allowed~~Allowed Other Secured Claim, the holder of such ~~allowed~~Allowed Other Secured Claim shall be required to deliver to the Debtors or Reorganized Debtors (as applicable) any collateral or other property of the Debtors held by such holder, and any termination statements, instruments of satisfactions, or releases of security interests that may be required in order to terminate any related financing statements, mortgages, mechanic's liens or *lis pendens*.

Section 6.07 Issuance of New Common ~~Shares~~Interests

~~1.~~ As discussed herein, the Plan provides for New Common ~~Shares~~Interests to be issued to the Prepetition Secured Lenders~~.~~ and Participants in the Rights Offering and for New Common ~~Shares will also~~Interests to be issued under the Management Incentive Plan~~.~~

and upon conversion of the Noteholder Warrants. Upon such issuance, (i) the New Common ~~Shares~~Interests shall not be registered under the Securities Act, and shall not be listed for public trading on any securities exchange, and (ii) none of the Reorganized Debtors will be a reporting company under the Exchange Act. The distribution of New Common ~~Shares~~Interests pursuant to the Plan may be made by delivery of one or more certificates representing such New Common ~~Shares~~Interests by means of book-entry registration on the books of the transfer agent for shares of New Common ~~Shares~~Interests or by means of book-entry exchange through the facilities of a transfer agent satisfactory to the Debtors and the Requisite Majority Consenting Secured Lenders in accordance with the customary practices of such agent, as and to the extent practicable.

~~Share Issuance.~~ The New Common ~~Shares~~Interests, including options and/or other equity awards, if any, reserved under the Management Incentive Plan, shall be authorized without the need for any further corporate action or without any further action by a holder of a claim or interest. The Reorganized Debtors, or an agent they designate, will be the transfer agent, registrar and redemption agent for all shares and warrants issued under the Plan. All shares of New Common ~~Shares~~Interests issued pursuant to the Plan, including options and/or other equity awards, if any, reserved under the Management Incentive Plan, shall be duly authorized, validly issued and fully paid and non-assessable.

The Debtors believe the offer, issuance, sale and distribution under the Plan of the New Common ~~Shares~~Interests will be exempt from registration under section 5 of the Securities Act and any other applicable securities laws under~~, and to the extent provided by,~~ section 1145 of the

Bankruptcy Code~~. The Debtors also believe the New Common Shares (a) are not "restricted securities" as defined in Rule 144(a)(3) under the Securities Act and (b) are freely tradable and transferable by any initial recipient thereof that (i) is not an "affiliate" of the Reorganized Debtors as defined in Rule 144(a)(1) under the Securities Act, (ii) has not been~~, or such ~~an "affiliate" within 90 days of such transfer and (iii) is not an entity that is an "underwriter" as defined in subsection (b) of Section 1145 of the Bankruptcy Code. Recipients of New Common Shares are advised to consult with their own legal advisors as to the availability of any~~other exemption as may be available from any applicable registration ~~under the Securities Act.~~requirements.

Section 6.08 Issuance of Noteholder Warrants

As discussed herein, the Plan provides for Noteholder Warrants to be issued to holders of Convertible Notes Claims~~ in certain instances, including if Class 4 votes in favor or the Plan~~.

The Noteholder Warrants shall be struck assuming a cashless exercise,[27] at an equity value equal to $195.0 million less the aggregate principal amount of debt outstanding as of the Effective Date. The Noteholder Warrants shall be exercisable at any time from the Effective Date until the seven (7) year anniversary thereof.

Upon such issuance, (i) the Noteholder Warrants shall not be registered under the Securities Act, and shall not be listed for public trading on any securities exchange, and (ii) none of the Reorganized Debtors will be a reporting company under the Exchange Act. The distribution of Noteholder Warrants pursuant to the Plan may be made by delivery of one or more certificates representing such Noteholder Warrants by means of book-entry registration on the books of the transfer agent for Noteholder Warrants or by means of book-entry exchange through the facilities of a transfer agent satisfactory to the Debtors and the Requisite Majority Consenting Secured Lenders in accordance with the customary practices of such agent, as and to the extent practicable.

1. ~~Share Issuance.~~ The Noteholder Warrants shall be authorized without the need for any further corporate action or without any further action by a holder of a claim or interest. The Reorganized Debtors, or an agent they designate, will be the transfer agent, registrar and redemption agent for all shares and warrants issued under the Plan. All Noteholder Warrants issued pursuant to the Plan shall be duly authorized, validly issued and fully paid and non-assessable.

2. The Debtors believe the offer, issuance, sale and distribution under the Plan of the Noteholder Warrants will be exempt from registration under section 5 of the Securities Act and any other applicable securities laws under, and to the extent provided by, section 1145 of the

[27] For the avoidance of doubt, such cashless exercise will result in a percentage of less than ~~3.5~~0.7% of the New Common ~~Shares~~Interests being granted to holders of Convertible Notes Claims on account of the Noteholder Warrants.

Bankruptcy Code. Recipients of Noteholder Warrants are advised to consult with their own legal advisors as to the availability of any exemption from registration under the Securities Act.

Section 6.09 Intercompany Interests

Subject to the transactions contemplated in the Plan, the Intercompany Interests shall be retained or reinstated as of the Effective Date and shall continue in place, solely for the purpose of maintaining the existing corporate structure of the Debtors and the Reorganized Debtors.

Section 6.10 Preservation of Rights of Action; Settlement

In accordance with section 1123(b) of the Bankruptcy Code, and except as expressly provided in Article XII of the Plan, the Reorganized Debtors will retain all causes of action, ~~if~~including, but not limited to, any~~,~~ described in the Plan Supplement (other than the Assigned ~~Avoidance Actions).~~Estate Claims, which shall vest in the Creditor Trust). Nothing contained in the Plan or the ~~confirmation order~~Confirmation Order shall be deemed a waiver or relinquishment of any claim, causes of action, right of setoff, or other legal or equitable defense of any Debtor that is not specifically waived or relinquished by the Plan. The Reorganized Debtors, and the Creditor Trustee, as applicable, shall have, retain, reserve, and be entitled to assert, all such claims, causes of action, rights of setoff, and other legal or equitable defenses that any Debtor had immediately before the Effective Date as fully as if these Chapter 11 Cases had not been commenced, and all of the Reorganized Debtors' legal and equitable rights respecting any claim that is not specifically waived or relinquished by the Plan may be asserted after the Effective Date to the same extent as if these Chapter 11 Cases had not been commenced. No Person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any cause of action against them as any indication that the Debtors ~~or~~, the Reorganized Debtors or the Creditor Trustee, as applicable, will not pursue any and all available causes of action against such Person. The Debtors ~~or~~, the Reorganized Debtors or the Creditor Trustee, as applicable, expressly reserve all rights to prosecute any and all causes of action ~~(excluding the Assigned Avoidance Actions, which will be prosecuted by the Litigation Trust)~~ against any Person, subject to the terms of the Plan. From and after the Effective Date, the Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any cause of action and to decline to do any of the foregoing without further notice to or action, order, or approval of the Bankruptcy Court. The Reorganized Debtors are deemed representatives of the Debtors' estates for the purpose of prosecuting any claim or cause of action and any objections to claims pursuant to 11 U.S.C. § 1123(b)(3)(B).

On the Effective Date, the Assigned ~~Avoidance Actions~~Estate Claims shall vest exclusively in the ~~Litigation~~Creditor Trust for the benefit of the ~~Litigation~~Creditor Trust Beneficiaries.

Section 6.11 ~~Litigation~~Creditor Trust

The ~~Litigation~~Creditor Trust shall be established pursuant to ~~this~~the Plan and become effective for the benefit of the ~~Litigation~~Creditor Trust Beneficiaries on the Effective Date, for

the primary purpose of pursuing the Assigned Avoidance ActionsEstate Claims and distributing any net proceeds therefrom and the GUC Cash pursuant to thisthe Plan, with no objective to continue or engage in the conduct of a trade or business. The Plan and the LitigationThe Creditor Trustee will be selected by the Committee. A three member creditor oversight board will be formed with two members selected by the Creditors Committee and one member selected by the Ad Hoc Group of Lenders. All other Creditor Trust governance issues shall be determined by the Creditors Committee in consultation with the Ad Hoc Group of Lenders and the Debtors and included in the Creditor Trust Agreement to be included in the Plan Supplement.

The Plan and the Creditor Trust Agreement shall govern the management and administration of the LitigationCreditor Trust and the respective rights, powers, and obligations of the LitigationCreditor Trustee and the LitigationCreditor Trust Beneficiaries. The Litigation, including the Creditor Trustee's power to take the reasonable actions necessary or appropriate to fulfill the purpose of the Plan, including (a) filing, prosecuting, settling or otherwise resolving any objection to General Unsecured Claims held by entities included in the Assigned Estate Claims; (b) retaining and paying professionals as necessary to fulfill its duties under the Plan; (c) evaluating, filing, litigating, settling, or otherwise pursuing any Assigned Estate Claims; (d) abandoning any property of the Creditor Trust that cannot be sold or distributed economically; (e) making interim and final distributions of the Creditor Trust Assets; (f) winding up the affairs of the Creditor Trust and dissolving it under applicable law; and (g) such other responsibilities as may be vested in the Creditor Trustee pursuant to the Plan, the Creditor Trust Agreement or a Bankruptcy Court order as may be necessary and proper to carry out the provisions of the Creditor Trust Agreement, but only to the extent consistent with the Plan. The Creditor Trust Agreement will be binding on all LitigationCreditor Trust Beneficiaries who shall be deemed to have executed the LitigationCreditor Trust Agreement as of the Effective Date.

[On the Effective Date, $1 millionthe Creditor Trust Assets, consisting of the $2,250,000 GUC Cash and the Assigned Avoidance ActionsEstate Claims, will be absolutely transferred and assigned to the Litigation Trust. For the avoidance of doubt, the Assigned Avoidance Actions shall be only those Avoidance Actions specified in the Plan Supplement as "Assigned Avoidance Actions" and shall not include any of the Avoidance Actions vesting in the Reorganized Debtors as of the Effective Date. The LitigationCreditor Trust free and clear of all liens, encumbrances, or interests of any kind. The Creditor Trustee, in the exercise of its reasonable discretion and in accordance with the LitigationCreditor Trust Agreement, shall not be obligated to pursue theany Assigned Avoidance Actions.][28]Estate Claims.

In accordance with section 1123(b) of the Bankruptcy Code, the LitigationCreditor Trust shall retain and may enforce all of the Debtors' rights to commence and pursue, as appropriate, any and all of the Assigned Avoidance ActionsEstate Claims, and the LitigationCreditor Trust's rights to commence, prosecute, or settle such Assigned Avoidance ActionsEstate Claims shall be preserved notwithstanding the occurrence of the Effective Date. The LitigationCreditor Trust may pursue such Assigned Avoidance ActionsEstate Claims, as appropriate, in accordance with

[28] To be discussed by the Consenting Secured Lenders, the Debtors, and the Creditors' Committee.

the ~~Litigation~~Creditor Trust Agreement. No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Assigned ~~Chapter 5 Action~~Estate Claim as any indication that the ~~Litigation~~Creditor Trust will not pursue any and all Assigned ~~Avoidance Actions.~~Estate Claims. The ~~Litigation~~Creditor Trust expressly reserves all rights to prosecute any and all such Assigned ~~Avoidance Actions~~Estate Claims against any Entity.

~~Net proceeds from the Litigation Trust (after deduction for all costs and expenses of the Litigation Trust shall be distributed pro rata among Holders of Allowed General Unsecured Claims.~~

~~The Litigation~~The Reorganized Debtors shall provide reasonable and timely cooperation to effectuate the provisions of the Plan as the Creditor Trustee might otherwise reasonably request. To the extent necessary for the Creditor Trustee to act in accordance with the terms of the Plan and Creditor Trust Agreement, all Privileges shall be extended to the Creditor Trustee, or shall remain with the Reorganized Debtors, as applicable, without waiver or release. The Creditor Trustee shall be the beneficiary of all Privileges and be entitled to assert all Privileges, but only to the extent such Privileges relate to the Assigned Estate Claims. No Privilege shall be waived by disclosure to the Creditor Trustee of the Debtors' documents, information or communications subject to attorney-client privileges, work product protections or immunities or protections from disclosure held by the Debtor. For the avoidance of doubt, the Creditor Trustee shall not have any rights or ability to waive any privilege of the Reorganized Debtors, either intentionally or inadvertently.

As of the Effective Date and thereafter, and to the fullest extent permitted by applicable law, the Creditor Trustee and his/her professionals shall not have nor incur any liability for any claim, cause of action, or other assertion of liability solely for any act taken or omitted in connection with, related to, or arising out of the performance of any act, duty, responsibility or omission arising under the Plan, *provided, however*, that the foregoing shall not affect the liability of the Creditor Trustee or his/her professionals that otherwise would result from any act or omission to the extent that such act or omission is determined by a Final Order to have constituted actual fraud, willful misconduct, or gross negligence.

As further described in the Creditor Trust Agreement, the Creditor Trust establishes two classes of shares for distribution of the proceeds of the Creditor Trust Assets, Class A Interests and Class B Interests. Class A Interests will be distributed to holders of General Unsecured Claims that are not Deficiency Claims. Holders of Deficiency Claims will receive Class B Interests of the Creditor Trust. Net proceeds from the Assigned Estate Claims shall be payable by the Creditor Trust as follows: (i) the first $1,000,000 will be paid to Reorganized ENXP LLC, (ii) then, to holders of Class A Interests, until such holders recover an aggregate of 15% of the Allowed amount of their claims from all Creditor Trust Assets, and (iii) thereafter, on a pro rata basis, to all holders of Class A Interests and Class B Interests. For the avoidance of doubt, any GUC Cash to be distributed to holders of General Unsecured Claims pursuant to the Liquidation Creditor Trust Agreement shall only be distributed to the holders of Class A Interests.

The Creditor Trust shall be structured to qualify as a "liquidating trust" within the meaning of Treasury Regulations Section 301.7701-4(d) and in compliance with Revenue Procedure 94-45, 1994-2 C.B. 684, and, thus, as a "grantor trust" within the meaning of Sections 671 through 679 of the Tax Code to the holders of General Unsecured Claims, consistent with the terms of the Plan; *provided, however*, that the LitigationCreditor Trustee shall elect under Treasury Regulations Section 1.468B-9(c)(2)(ii) to treat the LitigationCreditor Trust Disputed Claims Reserve as a "disputed ownership fund." Accordingly, other than the portion of the LitigationCreditor Trust assets comprising the LitigationCreditor Trust Disputed Claims Reserve, holders of Allowed General Unsecured Claims shall be treated for U.S. federal income tax purposes, (i) as direct recipients of an undivided interest in the assets transferred to the LitigationCreditor Trust and as having immediately contributed such assets to the LitigationCreditor Trust, and (ii) thereafter, as the grantors and deemed owners of the Liquidating Trust and thus, the direct owners of an undivided interest in the assets held by the LitigationCreditor Trust. All parties (including the LitigationCreditor Trustee and holders of General Unsecured Claims) shall report consistent with the valuation of the assets transferred to the Liquidating Trust as established by theENXP LLC, Reorganized ENXP LLC or its designee. The LitigationCreditor Trustee shall be responsible for filing information on behalf of the LitigationCreditor Trust as grantor trust pursuant to Treasury Regulation Section 1.671-4(a) oras well as for filing information on behalf of the Disputed Claims Reserve as a "disputed ownership fund (as applicable)." pursuant to Treasury Regulation Section 1.468B-9(c)(2)(ii). The Creditor Trust Assets are not transferrable, *provided, however*, that a holder of such interests may abandon such interests back to the Creditor Trust at their sole discretion.

Section 6.12 Exclusivity Period

The Debtors shall retain the exclusive right to amend or modify the Plan, and to solicit acceptances of any amendments to or modifications of the Plan, through and until the earlier of (i) the Effective Date or (ii) the expiration of the Debtors' exclusive period to solicit acceptances of the Plan under Bankruptcy Code § 1121(d).

Section 6.13 Exemption from Certain Transfer Taxes

Pursuant to Bankruptcy Code § 1146(a), the issuance, transfer, or exchange of a security (including the New Common SharesInterests and Noteholder Warrants), or the making or delivery of an instrument of transfer, including any transfers effected under the Plan, from the Debtors to the Reorganized Debtors, or any other Personperson or Entityentity pursuant to the Plan, as applicable, is not taxable under any law imposing a stamp tax or similar tax. In the confirmation orderConfirmation Order, the Debtors will request that the Bankruptcy Court direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

Section 6.14 Dissolution of Creditors Committee

The Creditors Committee shall be automatically dissolved the confirmation dateon the Effective Date except with respect to any matters concerning an Administrative Expense Claim held or asserted by a Creditors Committee Professional and, on or as soon as practicable after the confirmation dateEffective Date, each member (including each officer, director, employee or agent thereof) of the Creditors Committee and each Professional retained by the Creditors Committee shall be released and discharged from all rights, duties, responsibilities and obligations arising from, or related to, the Debtors, their membership on the Creditors Committee, the Plan or these Chapter 11 Cases, except with respect to any matters concerning any Administrative Expense Claims held or asserted by any Professional retained by the Creditors Committee, or these Chapter 11 Cases.

Any costs for fees and expenses of the Creditors Committee Professionals after the dissolution of the Creditors Committee will be paid from the Creditor Trust. Fees and expenses concerning any Administrative Expense Claim held or asserted by a Creditors Committee Professional shall be subject to the Committee Fee Cap.

Section 6.15 Withholding and Reporting Requirements

In connection with the Plan and all instruments issued in connection therewith and distributions thereon, the Reorganized Debtors and the Disbursing Agent shall comply with all withholding and reporting requirements imposed by any United States federal, state, local, or non-U.S. taxing authority and all distributions hereunder shall be subject to any such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors and the Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distributiondistributions to be made under the Plan to generate sufficient funds to pay applicable withholding taxes and withholding distributiondistributions pending receipt of information necessary or appropriate to facilitate such distributions.

Section 6.16 Disbursing Agent

Except as otherwise provided herein, all distributions under the Plan, including the distribution of the New Common SharesInterests and Noteholder Warrants, will be made by the Disbursing Agent(s) on the Effective Date or as soon as practicable thereafter. The Disbursing Agent may be the Reorganized Debtors or another entity selected by the Debtors. If the Disbursing Agent is the Reorganized Debtors, or the Creditor Trustee (in respect of the Creditor Trust Assets), the Disbursing Agent will not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

Holders of claims and interests should refer to Article VI of the Plan sets forthfor a detailed description of the procedures that will be used by the Disbursing Agent for making distributions under the Plan.

Section 6.17 Setoffs

Except for any claim that is allowed in an amount set forth in the Plan, the Debtors ~~or~~, the Reorganized Debtors, or the Creditor Trustee, as applicable, may, but shall not be required to, set off against any claims and the payments or distributions to be made pursuant to the Plan in respect of such claims, any and all debts, liabilities and claims of every type and nature whatsoever that the Debtors may have against the holder of any such claim. If the Debtors or Creditor Trustee do not setoff their claims, no waiver or release by the Debtors of any such claims shall be deemed to have occurred, and all such claims shall be reserved for and retained by the Reorganized Debtors.

Section 6.18 Employee Benefit Plans

As, and subject to the occurrence, of the Effective Date, all employee compensation and benefit plans, policies and programs of the Debtors applicable generally to their employees, including agreements and programs subject to section 1114 of the Bankruptcy Code, as in effect on the Effective Date, including, without limitation, all savings plans, retirement plans, health care plans, disability plans, severance benefit plans, incentive plans, and life, accidental death, and dismemberment insurance plans and workers' compensation programs, shall be deemed to be, and shall be treated as though they are, executory contracts that are assumed under the Plan by the Reorganized Debtors, and the Debtors' obligations under such agreements and programs shall survive the Effective Date of the Plan, without prejudice to the Reorganized Debtors' rights under applicable nonbankruptcy law to modify, amend, or terminate the foregoing arrangements, except for (i) such executory contracts or plans specifically rejected pursuant to the Plan (to the extent such rejection does not violate section 1114 of the Bankruptcy Code) and (ii) such executory contracts or plans that have previously been terminated or rejected, pursuant to a Final Order, or specifically waived by the beneficiaries of such plans, contracts or programs.

Section 6.19 Distribution Record Date

The Distribution Record Date will be the date of ~~the~~ entry of the ~~confirmation order~~Confirmation Order. On such date, all transfer ledgers, transfer books, registers and any other records maintained by the designated transfer agents with respect to ownership of any claims or interests will be closed and, for purposes of the Plan, there shall be no further changes in the record holders of such claims or interests. The Debtors ~~or~~, the Reorganized Debtors, or Creditor Trustee, as applicable, will have no obligation to recognize the transfer of any claims or interests occurring after the Distribution Record Date, and will be entitled for all purposes to recognize and deal only with the holder of any claim or interest as of the close of business on the Distribution Record Date, as reflected on such ledgers, books, registers or records.

Section 6.20 Determination of Tax Filings and Taxes

For all taxable periods ending on or prior to, or including, the Effective Date, ENXP LLC shall prepare and file (or cause to be prepared and filed) on behalf of the ENXP Group, all group tax returns, reports, certificates, forms, and amendments thereto, or similar statements or documents (collectively, "**Group Tax Returns**") and all separate tax returns of ENXP required

to be filed or that ENXP LLC otherwise deems appropriate, including the filing of amended Group Tax Returns or requests for refunds. ENXP shall not file or amend any tax returns for ~~ENXP~~itself or the ENXP Group for any taxable periods (or portions thereof) described in the first sentence of this ~~clause (a)~~Section 6.20 without ENXP LLC's prior written consent.

~~Accordingly~~Pursuant to the Plan, ENXP LLC ~~is hereby~~shall be appointed, pursuant to section 1123(b)(3)(B) of the Bankruptcy Code, to handle all~~ of the ENXP's~~ tax matters, including without limitation, the filing of all tax returns, and the handling of tax audits and proceedings, of the ENXP Group. Without limiting the generality of the foregoing, if requested by ENXP LLC, ENXP shall promptly execute or cause to be executed and filed any tax returns or other tax filings of ENXP or the ENXP Group submitted by ENXP LLC to ENXP for execution or filing. Moreover, ENXP shall execute on or prior to the Effective Date a power of attorney authorizing ENXP LLC to correspond, sign, collect, negotiate, settle and administer tax payments and Group Tax Returns for the taxable periods described in this Section ~~—— hereof~~6.20.

Each of the Debtors shall cooperate fully with each other regarding the implementation of this Section ~~——~~6.20 (including the execution of appropriate powers of attorney) and shall make available to the other as reasonably requested all information, records and documents relating to taxes governed by this Section ~~——~~6.20 until the expiration of the applicable statute of limitations or extension thereof or at the conclusion of all audits, appeals or litigation with respect to such taxes.

~~The~~ ENXP LLC shall have the right to request an expedited determination of the tax liability, if any, of the Reorganized Debtors (including ENXP) under section 505(b) of the Bankruptcy Code with respect to any tax returns filed, or to be filed, for any and all taxable periods ending after the Commencement Date through the Effective Date.

If ENXP receives written notice from a taxing authority of any pending examination, claim, settlement, proposed adjustment or related matters with respect to taxes, it shall promptly notify ENXP LLC in writing. ENXP LLC shall have the sole right, at its expense, to control, conduct, compromise and settle any tax contest, audit or administrative or court proceeding relating to any liability for taxes of ENXP and the ENXP Group. With respect to any such proceeding and with respect to the preparation and filing of any tax returns of ENXP or the ENXP Group, ENXP LLC may act in its own self-interest and in the interest of its subsidiaries and affiliates, without regard to any adverse consequences to ENXP.

To the extent permitted by law, ENXP shall designate ENXP LLC as the "substitute agent" (within the meaning of Treasury Regulation Section 1.1502-77) for the ENXP Group in accordance with Treasury Regulation Section 1.1502-77, as amended or supplemented, and any comparable provision under state or local law, with respect to all taxable periods ending on or before, or including, the Effective Date.

ENXP LLC shall be entitled to the entire amount of any refunds and credits (including interest thereon) with respect to or otherwise relating to any taxes of the ENXP Group, including for any taxable period ending on or prior to, or including, the Effective Date. ENXP shall

promptly notify ENXP LLC of the receipt of any such refunds or credits and shall transfer any such refunds to ENXP LLC by wire transfer or otherwise in accordance with written instructions provided by ENXP LLC.

ARTICLE VII
LIQUIDATION ANALYSIS, VALUATION AND FINANCIAL PROJECTIONS

Section 7.01 Liquidation Analysis

~~The Debtors believe that the Plan provides a greater recovery for holders of allowed claims and interests than would be achieved in a liquidation under chapter 7 of the Bankruptcy Code. This belief is based on a number of considerations, including: (a) the likely erosion in value of the Debtors' assets in a chapter 7 case in the context of an expeditious liquidation and the "forced sale" atmosphere that would prevail under a chapter 7 liquidation; (b) the additional Administrative Expense Claims generated by conversion to a chapter 7 case and any related costs in connection with a chapter 7 liquidation; (c) the absence of a robust market for the liquidation sale of the Debtors' assets and services in which such assets and services could be marketed and sold; and (d) the additional claims that would arise by reason of the breach or rejection in a chapter 7 of obligations under leases and executory contracts that would otherwise be assumed under the Plan.~~

~~The Debtors, with the assistance of Evercore, have prepared a Liquidation Analysis to assist holders of claims and interests in evaluating the Plan. The~~ **Introduction**

Pursuant to section 1129(a)(7) of the Bankruptcy Code, often called the "best interests test," holders of allowed claims must either (a) accept the plan of reorganization, or (b) receive or retain under the plan property of a value, as of the plan's assumed effective date, that is not less than the value such non-accepting holders would receive or retain if the debtors were to be liquidated under Chapter 7 of the Bankruptcy Code. As demonstrated in the following schedules (the "**Liquidation Analysis**"), the Debtors believe that the Plan meets the "best interest of creditors" test as set forth in section 1129(a)(7) of the Bankruptcy Code.

All capitalized terms not defined in this Liquidation Analysis ~~compares~~have the ~~projected recoveries that would result from~~ meanings ascribed to them in the ~~liquidation of the~~ Plan and Disclosure Statement.

The Debtors ~~*in a hypothetical case*~~***believe that holders of Allowed Claims in each impaired class will receive at least as much under*** ~~*chapter*~~***the Plan as they would if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code*** ~~with the estimated distributions to holders of allowed claims and interests under the Plan.~~. The Liquidation Analysis ~~is based on the value of the Debtors' assets and liabilities as of a certain date and incorporates various estimates and assumptions, including a hypothetical conversion to a chapter 7 liquidation as of a certain date. Further,~~reflects the estimated cash proceeds, net of liquidation-related costs, which are

projected to be realized if each Debtor were to be liquidated in accordance with Chapter 7 of the Bankruptcy Code.

Underlying the Liquidation Analysis is are numerous estimates and assumptions regarding liquidation proceeds that, although developed and considered reasonable by the Debtors' management and its advisors, are inherently subject to potentially material changes, including with respect to significant business, economic, regulatory, and business conditionscompetitive uncertainties and legal rulings. Therefore,contingencies beyond the actual liquidation valuecontrol of the Debtors could vary materially from the estimate provided , their management and its advisors. Accordingly, there can be no assurance that the values reflected in the Liquidation Analysis. would be realized if the Debtors were, in fact, to undergo such a liquidation, and actual results could materially differ from the results herein. The underlying financial information in the Liquidation Analysis was not compiled or examined by any independent accountants. Any balances reflected herein are unaudited and presented as such.

[LIQUIDATION ANALYSIS TO COME]

Key Assumptions

The Liquidation Analysis has been prepared assuming that the Debtor's chapter 11 cases are ***converted*** to chapter 7 cases on May 31, 2016 (the "**Liquidation Date**"). The pro forma values reflected herein are projected to be as of the Liquidation Date and include a roll-forward amount representative of estimated activity between December 31, 2015 and May 31, 2016 which the Debtors assume to be a reasonable proxy for the anticipated Effective Date.

The Liquidation Analysis was prepared on a legal entity basis.

The Liquidation Analysis assumes that on the Liquidation Date, the Bankruptcy Court appoints a Chapter 7 Trustee (the "**Chapter 7 Trustee**") who would promptly commence an orderly sales process to sell all the Debtor's major assets and distribute the cash proceeds, net of liquidation related costs, to creditors in accordance with relevant law. There can be no assurance that the recoveries realized from the sale of the assets would, in fact, approximate the amounts reflected in the Liquidation Analysis. Under section 704 of the Bankruptcy Code, a trustee must, among other duties, collect and convert the property of the estate as expeditiously as possible (generally at distressed prices), taking into account the best interests of stakeholders.

The Liquidation Analysis assumes that the operations of the Debtors would continue for a six month period during the marketing, sale and liquidation process under the direction of the Chapter 7 Trustee. During the first three months of this period the Trustee would market and sell all of the Debtors' remaining assets (primarily oil and gas assets) and the cash proceeds, net of liquidation related costs, would then be distributed to the creditors in accordance with section

726 of the Bankruptcy Code. The Debtors would maintain most of their existing operations during this period to allow for the assets to be sold as a going concern in order to improve recoveries for stakeholders.

Immediately following the completion of the sale of the Debtor's major assets, the remaining operations of the Debtors would be wound down by the Chapter 7 Trustee over a period of three months.

The cessation of business in a liquidation is likely to trigger certain claims that otherwise would not exist under the Plan absent a liquidation. Examples of these types of claims include various potential employee claims, claims related to the rejection of unexpired leases and executory contracts and unpaid chapter 11 Administrative Expense Claims. Some of these claims could be significant and will be entitled to priority in payment over General Unsecured Claims.

In an actual liquidation, the wind down process and time period(s) could vary significantly, thereby impacting recoveries. For example, the uncertain duration and potential outcomes of the process to liquidate and allow claims, including priority, contingent, litigation, rejection, and other claims could substantially impact both the timing and the amounts of the distributions of asset proceeds to creditors. Accordingly, there can be no assurance that the values reflected in this Liquidation Analysis would be realized if the Debtors were, in fact, to undergo such liquidation.

There can be no assurance that the actual value realized in a sale of these assets would yield the balances assumed in the Liquidation Analysis. Furthermore, the fair market value of these assets would potentially be materially different if offered for sale during the ordinary course of business.

The Liquidation Analysis assumes that proceeds would be distributed in accordance with Bankruptcy Code section 726. If the Debtors were liquidated pursuant to Chapter 7 proceedings, the amount of liquidation value available to creditors would be reduced, first, by the costs of the liquidation, which includes the net operational wind-down costs, fees and expenses of the Chapter 7 Trustee appointed to manage the liquidation, the fees and expenses of other professionals retained by the Chapter 7 Trustee to assist with the liquidation, and other asset disposition expenses; second, by Administrative Expense Claims, which includes unpaid professional fees as allowed under the DIP Facility; third, by the DIP Facility; fourth, by Priority Tax Claims and Other Priority Claims; fifth, by Prepetition Secured Claims and Other Secured Claims; and sixth, any remaining value would be used to satisfy the Convertible Notes Claims and the General Unsecured Claims, including any potential Deficiency Claims of the Prepetition Secured Claims.

The Liquidation Analysis necessarily contains an estimate of claims that ultimately will become Allowed Claims. Estimates for various classes of claims are based solely upon the Debtors' review of their books and records as well as claims filed as of the date of this analysis. No order or finding has been entered by the Bankruptcy Court estimating or otherwise fixing the amount of claims at the projected levels set forth in this Liquidation Analysis. In preparing the

Liquidation Analysis, the Debtors have projected amounts of claims that are consistent with the estimated claims reflected in the Plan with certain modifications. The Liquidation Analysis does contain estimates of potential damage claims with respect to executory contracts that may be rejected; however, these estimates may be substantially different if, in fact, executory contracts were rejected. This analysis should not be construed as an admission to any potential claim value, or potential contract rejection damages claim.

Energy & Exploration Partners, Inc.
Liquidation Analysis
USD'000

Table I. Net Proceeds Available for Distribution

	Note	Est. Book Value 5/31/2016	Potential Recovery: Recovery Estimate (%) Low	Recovery Estimate (%) High	Recovery Estimate ($) Low	Recovery Estimate ($) High
Gross Liquidation Process:						
Assets						
Cash and Cash Equivalents	1	$ -	100%	100%	$ -	$ -
Accounts Receivable, net	2	-	85%	95%	-	-
Other Current Assets	3	238	0%	0%	-	-
Oil and Gas Properties, net	4	-	21%	23%	-	-
Other PP&E, net	5	-	10%	20%	-	-
Intercompany receivables	6	14,257	0%	0%	-	-
Investment in subsidiary	7	480,957	0%	0%	-	-
Other Non-Current Assets	8	(16)	0%	0%	-	-
Chapter 5 avoidance action recoveries	9	-	25%	75%	-	-
Total Assets		$ 495,436	0%	0%	$ -	$ -
Chapter 7 Administrative Claims						
Post-Conversion Operating Receipts	10				$ -	$ -
Estate Wind-Down Costs	11				-	-
Chapter 7 Trustee Fees	12				-	-
Chapter 7 Administrative Expenses	13				-	-
Wind-Down Professional Fees	14				-	-
Total Chapter 7 Administrative Claims					$ -	$ -
Potential Recovery					**$ -**	**$ -**
Midpoint Recovery of Assumed Claims for Analysis						**$ -**

Table 2. Summary of Estimated Claims Recovery

	Low	High
Net Liquidation Proceeds Available for Distribution	**$ -**	**$ -**

	Note	Claim Estimate ($) High	Claim Estimate ($) Low	Potential Recovery: Recovery Estimate (%) Low	Recovery Estimate (%) High	Recovery Estimate ($) Low	Recovery Estimate ($) High
Administrative Expense Claims	15	$ -	$ -			$ -	$ -
DIP Facility Claims	16	-	-			-	-
Priority Tax Claims	17	-	-			-	-
Class 1 - Other Priority Claims		-	-			-	-
Class 2 - Other Secured Claims	18	-	-			-	-
Class 3 - Prepitition Secured Claims	19	776,516	776,516	0%	0%	-	-
Class 4 - Convertible Notes Claims	20	388,813	388,813	0%	0%	-	-
Class 5 - General Unsecured Claims	21	24,557	24,557	0%	0%	-	-
Class 6 - Convenience Claims		-	-			-	-
Class 7 - Preferred Stock		-	-			-	-
Class 8 - Interests		-	-			-	-
Intercompany Claims	22	-	-			-	-
Total Estimated Claims and Recoveries		$ 1,189,886	$ 1,189,886	0%	0%	$ -	$ -

Energy & Exploration Partners, LLC
Liquidation Analysis
USD'000

Table I. Net Proceeds Available for Distribution

	Note	Est. Book Value 5/31/2016	Potential Recovery: Recovery Estimate (%) Low	Recovery Estimate (%) High	Recovery Estimate ($) Low	Recovery Estimate ($) High
Gross Liquidation Process:						
Assets						
Cash and Cash Equivalents	1	$ 15,565	100%	100%	$ 15,565	$ 15,565
Accounts Receivable, net	2	5,913	85%	95%	5,026	5,617
Other Current Assets	3	5,779	4%	7%	246	383
Oil and Gas Properties, net	4	373,250	21%	23%	79,000	86,000
Other PP&E, net	5	658	10%	20%	66	132
Intercompany receivables	6	-	0%	0%	-	-
Investment in subsidiary	7	-	0%	0%	-	-
Other Non-Current Assets	8	1,183	8%	8%	90	90
Chapter 5 avoidance action recoveries	9	-	25%	75%	-	-
Total Assets		$ 402,347	25%	27%	$ 99,993	$ 107,787
Chapter 7 Administrative Claims						
Post-Conversion Operating Receipts	10				$ 12,803	$ 13,620
Estate Wind-Down Costs	11				(13,637)	(12,657)
Chapter 7 Trustee Fees	12				(2,767)	(2,533)
Chapter 7 Administrative Expenses	13				(850)	(850)
Wind-Down Professional Fees	14				(5,600)	(4,700)
Total Chapter 7 Administrative Claims					$ (10,050)	$ (7,120)
Potential Recovery					$ 89,942	$ 100,667
Midpoint Recovery of Assumed Claims for Analysis						$ 95,304

Table 2. Summary of Estimated Claims Recovery

	Low	High
Net Liquidation Proceeds Available for Distribution	**$ 89,942**	**$ 100,667**

	Note	Claim Estimate ($) High	Claim Estimate ($) Low	Potential Recovery: Recovery Estimate (%) Low	Recovery Estimate (%) High	Recovery Estimate ($) Low	Recovery Estimate ($) High
Administrative Expense Claims	15	$ 6,950	$ 5,650	100%	100%	$ 6,950	$ 5,650
DIP Facility Claims	16	43,400	43,400	100%	100%	43,400	43,400
Priority Tax Claims	17	500	-	100%		500	-
Class 1 - Other Priority Claims		-	-			-	-
Class 2 - Other Secured Claims	18	17,000	11,000	100%	100%	17,000	11,000
Class 3 - Prepitition Secured Claims	19	776,516	776,516	3%	5%	22,092	40,617
Class 4 - Convertible Notes Claims	20	-	-			-	-
Class 5 - General Unsecured Claims	21	6,200	3,000	0%	0%	-	-
Class 6 - Convenience Claims		-	-			-	-
Class 7 - Preferred Stock		-	-			-	-
Class 8 - Interests		-	-			-	-
Intercompany Claims	22	43,240	43,240	0%	0%	-	-
Total Estimated Claims and Recoveries		$ 893,806	$ 882,806	10%	11%	$ 89,942	$ 100,667

Energy & Exploration Partners Operating, LP
Liquidation Analysis
USD'000

Table I. Net Proceeds Available for Distribution

	Note	Est. Book Value 5/31/2016	Potential Recovery: Recovery Estimate (%) Low	Recovery Estimate (%) High	Recovery Estimate ($) Low	Recovery Estimate ($) High
Gross Liquidation Process:						
Assets						
Cash and Cash Equivalents	1	$ 500	100%	100%	$ 500	$ 500
Accounts Receivable, net	2	-	85%	95%	-	-
Other Current Assets	3	69	19%	29%	13	20
Oil and Gas Properties, net	4	243	21%	23%	100	100
Other PP&E, net	5	100	10%	20%	10	20
Intercompany receivable	6	28,983	0%	0%	-	-
Investment in subsidiary	7	-	0%	0%	-	-
Other Non-Current Assets	8	831	0%	20%	-	166
Chapter 5 avoidance action recoveries	9	5,700	25%	75%	1,425	4,275
Total Assets		$ 36,426	6%	14%	$ 2,048	$ 5,081
Chapter 7 Administrative Claims						
Post-Conversion Operating Receipts	10				$ -	$ -
Estate Wind-Down Costs	11				-	-
Chapter 7 Trustee Fees	12				(9)	(4)
Chapter 7 Administrative Expenses	13				-	-
Wind-Down Professional Fees	14				(100)	(100)
Total Chapter 7 Administrative Claims					$ (109)	$ (104)
Potential Recovery					$ 1,939	$ 4,977
Midpoint Recovery of Assumed Claims for Analysis						$ 3,458

Table 2. Summary of Estimated Claims Recovery

	Low	High
Net Liquidation Proceeds Available for Distribution	**$ 1,939**	**$ 4,977**

		Claim Estimate ($) High	Claim Estimate ($) Low	Potential Recovery: Recovery Estimate (%) Low	Recovery Estimate (%) High	Recovery Estimate ($) Low	Recovery Estimate ($) High
Administrative Expense Claims	15	$ 200	$ 100	100%	100%	$ 200	$ 100
DIP Facility Claims	16	-	-			-	-
Priority Tax Claims	17	-	-			-	-
Class 1 - Other Priority Claims		-	-			-	-
Class 2 - Other Secured Claims	18	-	-			-	-
Class 3 - Prepitition Secured Claims	19	776,516	776,516	0%	1%	1,739	4,877
Class 4 - Convertible Notes Claims	20	-	-			-	-
Class 5 - General Unsecured Claims	21	32,600	23,200	0%	0%	-	-
Class 6 - Convenience Claims		-	-			-	-
Class 7 - Preferred Stock		-	-			-	-
Class 8 - Interests		-	-			-	-
Intercompany Claims	22	-	-			-	-
Total Estimated Claims and Recoveries		$ 809,316	$ 799,816	0%	1%	$ 1,939	$ 4,977

Energy & Exploration Partners Operating GP, LLC
Liquidation Analysis
USD'000

Table I. Net Proceeds Available for Distribution

	Note	Est. Book Value 5/31/2016	Potential Recovery: Recovery Estimate (%) Low	Recovery Estimate (%) High	Recovery Estimate ($) Low	Recovery Estimate ($) High
Gross Liquidation Process:						
Assets						
Cash and Cash Equivalents	1	$ -	100%	100%	$ -	$ -
Accounts Receivable, net	2	-	85%	95%	-	-
Other Current Assets	3	-	0%	0%	-	-
Oil and Gas Properties, net	4	-	0%	0%	-	-
Other PP&E, net	5	-	10%	20%	-	-
Intercompany receivable	6	-	0%	0%	-	-
Investment in subsidiary	7	-	0%	0%	-	-
Other Non-Current Assets	8	-	0%	0%	-	-
Chapter 5 avoidance action recoveries	9					
Total Assets		$ -	0%	0%	$ -	$ -
Chapter 7 Administrative Claims						
Post-Conversion Operating Receipts	10				$ -	$ -
Estate Wind-Down Costs	11				-	-
Chapter 7 Trustee Fees	12				-	-
Chapter 7 Administrative Expenses	13				-	-
Wind-Down Professional Fees	14				-	-
Total Chapter 7 Administrative Claims					$ -	$ -
Potential Recovery					$ -	$ -
Midpoint Recovery of Assumed Claims for Analysis						$ -

Table 2. Summary of Estimated Claims Recovery

	Low	High
Net Liquidation Proceeds Available for Distribution	**$ -**	**$ -**

		Claim Estimate ($) High	Claim Estimate ($) Low	Potential Recovery: Recovery Estimate (%) Low	Recovery Estimate (%) High	Recovery Estimate ($) Low	Recovery Estimate ($) High
Administrative Expense Claims	15	$ -	$ -			$ -	$ -
DIP Facility Claims	16	-	-			-	-
Priority Tax Claims	17	-	-			-	-
Class 1 - Other Priority Claims		-	-			-	-
Class 2 - Other Secured Claims	18	-	-			-	-
Class 3 - Prepitition Secured Claims	19	776,516	776,516	0%	0%	-	-
Class 4 - Convertible Notes Claims	20	-	-			-	-
Class 5 - General Unsecured Claims	21	-	-			-	-
Class 6 - Convenience Claims		-	-			-	-
Class 7 - Preferred Stock		-	-			-	-
Class 8 - Interests		-	-			-	-
Intercompany Claims	22	-	-			-	-
Total Estimated Claims and Recoveries		$ 776,516	$ 776,516	0%	0%	$ -	$ -

Notes

1) Cash consists of each Debtor's estimated cash balance as of May 31, 2016. Cash is assumed to be fully recoverable.

2) Accounts receivable includes estimated amounts related to the sale of oil and gas, amounts due from joint interest billing partners and other receivables. Accounts receivable balances are assumed to be 85% to 95% recoverable.

3) Other current assets primarily consists of $0.6 million of prepaid insurance, $0.4 million of professional retainers and $4.6 million of debt issuance costs, based on management estimates of these balances as of the Liquidation Date. Prepaid insurance represents approximately 10 months of coverage, thus the remaining balance available for refund at the end of the six-month wind-down is assumed to be between 30 – 50%. Professional retainers are assumed to be applied by the relevant professional to outstanding balances and the amounts owed to professionals included in Administrative Expense Claims is reduced by this amount. The amounts related to debt issuance costs are assumed to have no value.

4) Oil and gas properties include the Debtors' leasehold interests in the East Texas Basin as well as their holdings in the DJ Basin in Wyoming. Given the production decline associated with oil and gas assets absent capital expenditures to bring on new production, we expect the Chapter 7 Trustee will pursue a prudent, prompt and broad marketing of the assets over a three month period of time, with the divestiture directed by a qualified investment bank or firm that specializes in managing oil and gas acquisitions and divestitures. It is also assumed that the Chapter 7 Trustee will not incur additional risk or have access to capital necessary to continue development, drilling, completion, recompletion or workovers of the oil and gas assets other than to the extent necessary to maintain material portions of value.

The net cash flows (revenue derived from production less production taxes, operating costs, and capital costs) projected by management were discounted by 10% in order to estimate the present value of the future net cash flows ("**PV10**") of the Proved Developed Producing ("**PDP**") reserves as of May 31, 2016 at $91 million. PDP reserves are viewed as having higher realizable values than Proved Developed Non Producing ("**PDNP**") and Proved Undeveloped ("**PUD**") reserves because the latter two categories of proved reserves require capital and the operational capability to convert them to PDPs. Recent natural flooding events in an area where many of the Debtor's assets are located have required substantial production shut-ins and remediation, which may affect how potential buyers risk their valuation analysis. Accordingly, the PDP category has been subjected to additional discounting in this analysis. PDNP and PUD reserves have inherent operational, geologic and reservoir risks above and beyond those found in the PDP reserve category. For those reasons, a buyer would likely not ascribe much if any value to the PDNP and PUD reserve categories under a liquidation scenario.

The resulting recovery estimates for PDP reserves indicate a range in value for total proved reserves of approximately $79 – $86 million. Due to the distressed nature of the liquidation sale, zero recovery is assumed for PDNP, PUD, probable or possible reserves. Likewise, zero recovery is assumed for the DJ Basin acreage given the likely buyer concerns regarding the near term expiration and quality of the asset. No adjustments were considered for any production, reserve or lease expiration data or revisions since January 1, 2016.

5) Other PP&E consists of furniture, fixtures, equipment and miscellaneous items. Assumed recovery for these items is assumed to be 10% to 20% of book value.

6) Intercompany receivables represent amounts owed to ENXP (approximately $14.3 million) and ENXP Operating (approximately $29.0 million) by ENXP LLC. As ENXP LLC net

proceeds are not expected to fully cover the Prepetition Secured Claims there is no assumed recovery for ENXP and ENXP Operating.

7) Investment in subsidiary represents the initial capital provided by ENXP to its subsidiary, ENXP LLC. As ENXP LLC net proceeds are not expected to fully cover the Prepetition Secured Claims there is no assumed recovery for to ENXP.

8) Other non-current assets primarily consists of $0.8 million of utility deposits (ENXP Operating), $1.1 million of deferred tax benefits and $0.1 million of cash deposits and derivatives, based on management estimates of these balances as of the Liquidation Date. Utility deposits are assumed to be 0% to 20% recoverable with the balance being applied to outstanding payables. The amounts related to deferred tax benefits are assumed to have no value. The amount related to cash deposits and derivatives are assumed to be fully recoverable.

9) Chapter 5 avoidance action recoveries represent potential avoidable payments made to trade vendors in the 90 days preceding the chapter 11 filing. The Debtors have not conducted any formal analysis regarding the success or defenses of such actions, but provide an estimate as a potential asset in a liquidation.

10) Post-conversion operating receipts include the cash collections for oil and gas during the first three months when the Trustee would market and sell all of the Debtors' remaining assets.

11) Estate wind-down costs include the costs of operating the business during the six month marketing, sale and liquidation process under the direction of the Chapter 7 Trustee, including royalty payments and taxes. During the first three month period these costs include operating expenses related to maintaining production (but not for completion or drilling of new wells), including lease operating expenses, field expenses and certain necessary general and administration costs. Following the completion of the sale of the oil and gas assets the Chapter 7 Trustee would work expeditiously to wind down the remaining operations of the estate. Costs during the final three months include certain general and administrative costs required to facilitate an orderly wind-down of the estate.

12) Chapter 7 Trustee fees would be limited to fee guidelines in section 326(a) of the Bankruptcy Code. The Debtors have assumed trustee fees of 3% of the gross proceeds (excluding cash) from the liquidation.

13) Chapter 7 administrative expenses represents three months of ad valorem taxes related to the three month period following conversion to chapter 7 but prior to sale of the oil and gas properties.

14) Wind-down professional fees for the Chapter 7 trustee's professionals (counsel and other legal, financial, and professional services) during the Chapter 7 case is estimated to be the sum of 1% of the value received for oil and gas properties for investment banking services, $0.7 million to $1.3 million of attorney fees related to the sale of oil and gas properties, and $1.4

million to $2.6 million of legal, financial and other professional services related to the wind-down of the estate.

15) Administrative Expense Claims represent amounts owed as of the Liquidation Date and are projected to receive a full recovery. These include 503(b)(9) claims, postpetition ad valorem tax accruals, accrued and unpaid professional fees and accrued employee wages and benefits.

16) DIP Facility Claims represents the principal amount of the DIP Facility as of the Liquidation Date, interest accruing (including additional 3% default rate) during the 6 month wind-down process and the 3.0% DIP Exit Fee, which is expected to receive a full recovery.

17) Priority Tax Claims represents various miscellaneous taxes owed as of the Liquidation Date and are expected to receive a full recovery. Severance taxes (paid in the ordinary course in estate wind-down costs above) are not included here.

18) Class 2 – Other Secured Claims include royalty payment obligations which are owed to certain land owners for which known addresses are no longer current, or lack the appropriate documentation to support payment. Additionally, this class includes statutory lien claims against the Debtors to the extent ultimately determined by the Bankruptcy Court to have liens senior to the liens securing the Prepetition Secured Facility. The Debtors have not conducted an investigation regarding the validity or amount of such liens and the amounts included in the Liquidation Analysis represent an estimate of potential senior liens.

19) Class 3 – Prepetition Secured Claims represents amounts owed under the Prepetition Secured Facility as of December 7, 2015, and are projected to receive 3% to 6% recovery.

20) Class 4 – Convertible Notes Claims represents amounts owed under the Convertible Notes Indenture as of December 7, 2015, and are projected to receive zero recovery.

21) Class 5 – General Unsecured Claims include the Chesapeake Note Claim, accounts payable and accrued expenses as of the Liquidation Date (excluding selected amounts receiving prioritized treatment such as accrued employee obligations or trade accounts payable secured by perfected liens) and contract rejection claims. Class 5 claims are projected to receive zero recovery.

22) Intercompany Claims (see note 6 above) are projected to receive zero recovery.

Section 7.02 Valuation

~~[VALUATION TO COME]~~

~~[The Plan provides for the distribution of New Common Shares and Noteholder Warrants to holders of claims in Classes 3 and 4, respectively, upon consummation of the Plan. Accordingly, Evercore, at the request of the Debtors, has performed an analysis, which is~~

contained in the Plan Supplement, of the estimated implied value of Reorganized ENXP and its subsidiaries on a going concern basis as of [Date]. The valuation analysis, including the procedures followed, assumptions made, qualifications, and limitations on review undertaken described therein, should be read in conjunction with Article XVI of this Disclosure Statement, entitled "Certain Risk Factors Affecting the Debtors." The valuation analysis is dated [Date], and is based on data and information as of that date. Evercore makes no representations as to changes to such data and information that may have occurred since the date of the valuation analysis.]

Financial Projections

[FINANCIAL PROJECTIONS TO COME]

[In connection with the planning and development of the Plan, the Debtors prepared projections for the calendar years 2016 through [year] to present the anticipated impact of the Plan. The projections assume that the Plan will be implemented in accordance with its stated terms. The Debtors are unaware of any circumstances as of the date of this Disclosure Statement that would require the re-forecasting of the projections due to a material change in the Debtors' prospects. The projections are based on forecasts of key economic variables and may be significantly impacted by, among other factors, changes in the competitive environment, regulatory changes, and/or a variety of other factors, including the factors listed in this Disclosure Statement and in the projections. Accordingly, the estimates and assumptions underlying the projections are inherently uncertain and are subject to significant business, economic, and competitive uncertainties. Therefore, such projections, estimates, and assumptions are not necessarily indicative of current values or future performance, which may be significantly less or more favorable than set forth herein. The projections should be read in conjunction with the assumptions, qualifications, and explanations set forth in this Disclosure Statement and other financial information. The Debtors' financial projections for the calendar years 2016 through [year] including management's assumptions related thereto, are contained in the Plan Supplement.]

[THE VALUATION INFORMATION CONTAINED IN THE FOLLOWING ANALYSIS IS NOT A PREDICTION OR GUARANTEE OF THE ACTUAL MARKET VALUE THAT MAY BE REALIZED THROUGH THE SALE OF ANY SECURITIES TO BE ISSUED PURSUANT TO THE PLAN. THIS VALUATION IS PRESENTED SOLELY FOR THE PURPOSE OF PROVIDING ADEQUATE INFORMATION AS REQUIRED BY SECTION 1125 OF THE BANKRUPTCY CODE TO ENABLE THE HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN AND SHOULD NOT BE USED OR RELIED UPON FOR ANY OTHER PURPOSE, INCLUDING THE PURCHASE OR SALE OF CLAIMS AGAINST THE DEBTORS.

Solely for purposes of the Plan and this Disclosure Statement, Evercore, as investment banker and financial advisor to the Debtors, has estimated the total enterprise value (the "**Total Enterprise Value**") and implied equity value (the "**Equity Value**") of the Reorganized Debtors on a going concern basis.

In estimating the Total Enterprise Value of the Debtors, Evercore met with the Debtors' senior management team to discuss the Debtors' assets, operations and future prospects, reviewed the Debtors' historical financial information, reviewed certain of the Debtors' internal financial and operating data, including the Debtors' reserve report, reviewed the Financial Projections (as defined below), reviewed publicly available third-party information and conducted such other studies, analyses, and inquiries we deemed appropriate.

The valuation information herein represents a valuation of the Reorganized Debtors based on the application of standard valuation techniques. The estimated values set forth in this Section 7.02: (a) do not purport to constitute an appraisal of the assets of the Reorganized Debtors; (b) do not constitute an opinion on the terms and provisions or fairness from a financial point of view to any person of the consideration to be received by such person under the Plan; (c) do not constitute a recommendation to any holder of Allowed claims as to how such person should vote or otherwise act with respect to the Plan; and (d) do not necessarily reflect the actual market value that might be realized through a sale or liquidation of the Reorganized Debtors.

In preparing the estimates set forth below, Evercore has relied upon the accuracy, completeness, and fairness of financial, reserve and other information furnished by the Debtors. Evercore did not attempt to independently audit or verify such information, nor did it perform an independent appraisal of the assets or liabilities of the Reorganized Debtors.

The Debtors' Financial Projections for the Reorganized Debtors are provided in Section 7.03 below. The estimated values set forth herein assume that the Reorganized Debtors will achieve their Financial Projections in all material respects. Evercore has relied on the Debtors' representation and warranty that the Financial Projections (a) have been prepared in good faith; (b) are based on fully disclosed assumptions, which, in light of the circumstances under which they were made, are reasonable; (c) reflect the Debtors' best currently available estimates; and (d) reflect the good faith judgments of the Debtors. Evercore does not offer an opinion as to the attainability of the Financial Projections. As disclosed in the Disclosure Statement, the future results of the Reorganized Debtors are dependent upon various factors, many of which are beyond the control or knowledge of the Debtors and Evercore, and consequently are inherently difficult to project.

This report contemplates facts and conditions known and existing as of March 4, 2016. Events and conditions subsequent to this date, including updated projections, as well as other factors, could have a substantial effect upon the Total Enterprise Value. Among other things, failure to consummate the Plan in a timely manner may have a materially negative effect on the Total Enterprise Value. For purposes of this valuation, Evercore has assumed that no material changes that would affect value will occur between March 4, 2016 and the contemplated Effective Date of May 13, 2016.

The following is a summary of analyses performed by Evercore to arrive at its recommended range of estimated Total Enterprise Value for the Reorganized Debtors.

1. Net Asset Value

The value of the Debtors' proved, probable and possible oil and gas reserves were estimated using a net asset value ("**NAV**") analysis. The NAV analysis estimates the value of the business by calculating the sum of the present value of cash flows generated by the Debtors' reserves. Under this methodology, future cash flows from the Debtors' reserve report are discounted using various discount rates depending on reserve category. The Total Enterprise Value of the Reorganized Debtors is then calculated by adjusting the aggregate discounted cash flows for the present value of future general & administrative costs, taxes and the value of other assets not reflected in the reserve report (i.e. commodity derivatives). Evercore did not adjust for any production or potential positive or negative reserve adjustments which may have occurred since January 1, 2016 through the Effective Date.

2. Precedent Transactions Analysis

Precedent transactions analysis estimates the value of a company by examining public and private transactions on both an enterprise and asset level basis. Under this methodology, transaction values are commonly expressed as multiples of various measures of financial and operating statistics, such as EBITDAX, proved reserves and production. The Total Enterprise Value is calculated by applying these multiples to the Reorganized Debtors' actual and projected financial and operational metrics. The selection of transactions for this purpose was based upon the geographic location, scale and other characteristics that were deemed relevant. Evercore relied more heavily on the transactions that have occurred since November 2014 due to the fundamentally different industry conditions that exist in the marketplace since the downturn in the commodity environment.

3. Comparable Company Analysis

The comparable company analysis estimates the value of a company based on a relative comparison with other publicly traded companies with similar operating and financial characteristics. Under this methodology, the enterprise value for each selected public company is determined by examining the trading prices for the equity securities of such company in the public markets and adding the aggregate amount of outstanding net debt for such company. Such enterprise values are commonly expressed as multiples of various measures of financial and operating statistics, such as EBITDAX, proved reserves and production. The Total Enterprise Value is then calculated by applying these multiples to the Reorganized Debtors' actual and projected financial and operational metrics. The selection of public comparable companies for this purpose was based upon the geographic location, scale and other characteristics that were deemed relevant.

4. Discounted Cash Flow Analysis

The discounted cash flow ("**DCF**") analysis estimates the value of the Debtors' business by calculating the present value of expected future cash flows to be generated by that asset or business. Under this methodology, projected future cash flows are discounted by a range of discount rates above and below the Debtor's estimated weighted average cost of capital (the "**Discount Rate**"). The Total Enterprise Value of the Reorganized Debtors is determined by calculating the present value of Reorganized Debtors' unlevered after tax free cash flows over

the course of the projection period plus an estimate for the value of the Reorganized Debtors beyond the projection period, known as the terminal value. The terminal value is calculated using a range of EBITDAX multiples.

Total Enterprise Value and Implied Equity Value

As a result of the analysis described herein, Evercore estimated the Total Enterprise Value of the Reorganized Debtors to be approximately $175 million - $225 million, with a mid-point of $200 million. Based on assumed pro forma debt of $105 million as of an assumed Effective Date, the Total Enterprise Value implies an Equity Value range of $70 - $120 million, with a mid-point of $95 million.

The estimate of Total Enterprise Value set forth herein is not necessarily indicative of actual outcomes, which may be significantly more or less favorable than those set forth herein depending on the results of the Debtors' operations or changes in the financial markets. Additionally, these estimates of value represent hypothetical enterprise and equity values of the Reorganized Debtors as the continuing operator of their businesses and assets, and do not purport to reflect or constitute appraisals, liquidation values or estimates of the actual market value that may be realized through the sale of any securities to be issued pursuant to the Plan, which may be significantly different than the amounts set forth herein. Such estimates were developed solely for purposes of formulation and negotiation of the Plan and analysis of implied relative recoveries to creditors thereunder. The value of an operating business such as the Debtors' businesses is subject to uncertainties and contingencies that are difficult to predict and will fluctuate with changes in factors affecting the financial condition and prospects of such businesses.

Evercore's estimated valuation range of the Reorganized Debtors does not constitute a recommendation to any holder of Allowed Claims or Interests as to how such person should vote or otherwise act with respect to the Reorganization Plan. The estimated value of the Reorganized Debtors set forth herein does not constitute an opinion as to the fairness from a financial point of view to any person of the consideration to be received by such person under the Plan or of the terms and provisions of the Plan. Because valuation estimates are inherently subject to uncertainties, none of the Debtors, Evercore or any other person assumes responsibility for their accuracy or any differences between the estimated valuation ranges herein and any actual outcome.

Section 7.03 Financial Projections

The Debtors believe that the Plan is feasible as required by section 1129(a)(11) of the Bankruptcy Code, because Confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Debtors or any successor to the Debtors. In connection with the planning and development of a plan of reorganization and for purposes of determining whether the Plan will satisfy this feasibility standard, the Debtors have analyzed their ability to satisfy their financial obligations while maintaining sufficient liquidity and capital resources.

In connection with the Disclosure Statement, the Debtors' senior management team ("**Management**") prepared Financial Projections for the years 2016 through 2021 (the "**Projection Period**"). The Financial Projections are based on a number of assumptions made by Management with respect to the future performance of the Reorganized Debtors' operations as well as assumptions regarding market conditions and available capital.

THESE FINANCIAL PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH PUBLISHED GUIDELINES OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FOR PREPARATION AND PRESENTATION OF PROSPECTIVE FINANCIAL INFORMATION.

ALTHOUGH MANAGEMENT HAS PREPARED THE FINANCIAL PROJECTIONS IN GOOD FAITH AND BELIEVES THE ASSUMPTIONS TO BE REASONABLE, THE DEBTORS AND THE REORGANIZED DEBTORS CAN PROVIDE NO ASSURANCE THAT SUCH ASSUMPTIONS WILL BE REALIZED. AS DESCRIBED IN DETAIL IN THE DISCLOSURE STATEMENT, A VARIETY OF RISK FACTORS COULD AFFECT THE REORGANIZED DEBTORS' FINANCIAL RESULTS AND MUST BE CONSIDERED. ACCORDINGLY, ANY REVIEW OF THE FINANCIAL PROJECTIONS SHOULD TAKE INTO ACCOUNT THE RISK FACTORS SET FORTH IN THE DISCLOSURE STATEMENT AND THE ASSUMPTIONS DESCRIBED HEREIN, INCLUDING ALL RELEVANT QUALIFICATIONS AND FOOTNOTES.

General Assumptions

A. Methodology

Management developed a 6-year business plan for the Projection Period based on forecasted production estimates of the Debtors' oil and gas reserves, estimated commodity pricing, and estimated future operating and capital expenditure and other overhead costs.

B. Presentation

The Financial Projections are presented on a consolidated basis.

C. Emergence Date

Emergence from Chapter 11 is assumed to occur on May 31, 2016. The Financial Projections reflect actual results through January 31, 2016 rolled forward to a pre- and post-emergence balance sheet as of May 31, 2016.

Assumptions With Respect to the Financial Projections

A. Production

Oil and gas production volumes are estimates based upon decline curves for existing producing wells and wells scheduled to be drilled and completed during the Projection Period.

B. Commodity Pricing

Commodity pricing is based on the futures prices for oil and natural gas traded on the New York Mercantile Exchange as of March 4, 2016. Management estimates a $1.00/bbl discount to NYMEX pricing for oil price realizations, a $0.40/Mcf premium for gas price realizations and NGL realizations equivalent to 20% of NYMEX oil prices, based primarily on historical differentials.

	2016	2017	2018	2019	2020	2021
Oil Nymex ($/bbl)	$ 40.17	$ 43.96	$ 45.90	$ 47.00	$ 47.93	$ 48.84
Gas Nymex ($/MMBtu)	$ 2.04	$ 2.62	$ 2.70	$ 2.74	$ 2.82	$ 2.94

C. Lease Operating Expenses

Operating expenses are estimates based on historical realized costs and targeted near-term and longer-term projected cost savings.

D. Production Taxes

Production taxes include severance taxes and the amounts are based on production volumes and Management estimates of future tax obligations.

E. General & Administrative Expenses

Corporate G&A is primarily comprised of senior management and other personnel costs, rent, insurance, and corporate overhead necessary to manage the business and comply with required regulatory requirements. Projected Corporate G&A is based on current development plans, and includes certain adjustments for cost reduction initiatives.

F. Depreciation & Amortization

Depreciation and Amortization reflects an assumed depletion rate that is consistent with recent actual reported levels of depletion.

G. Earnings Before Interest, Taxes, Depreciation and Amortization ("**EBITDA**")

EBITDA is anticipated to improve over the forecast period due to the following factors:

- Increasing production as a result of the anticipated drilling and completion schedule and capital spent to improve production in existing wells.

- Improving commodity pricing forecasts based on strip price forecasts, which as of March 4, 2016 were increasing over the projection period.

- Operating and Corporate G&A expense reductions based on cost savings targeted by the Debtors.

H. Capital Expenditures

Capital expenditures are projected to increase during the Projection Period as commodity prices and, correspondingly, rates of return on capital investment opportunities improve. Capital expenditures are projected to total approximately $13 million from June 2016 through December 2016, which includes approximately $8 million of well capital spending (i.e. maintenance, drilling and completion), $3 million of land capital spending and $2 million of capitalized general and administrative expenses. From 2017 through 2021 capital expenditures are projected to increase as the Debtors implement a drilling program targeting 14 new wells each year. Under this program capital expenditures are projected to total between $54 – 56 million annually, which includes approximately $47 - 49 million of well capital spending (i.e. maintenance, drilling and completion), $3 - 4 million of land capital spending and $3 million of capitalized general and administrative expenses.

I. Changes in Working Capital

Management projects an increase in net working capital during the seven months ending December 31, 2016 of approximately $1 million. Annual working capital increases for the years 2017 through 2021 are expected to average approximately $1 million each year.

J. Pro-forma Adjustments Related to Emergence

The 2016 balance sheet included in the Financial Projections presents a pro forma view of May 2016, assuming the effect of certain adjustments related to the Debtors' emergence from bankruptcy. These adjustments primarily relate to the conversion of the Prepetition Secured Claims into equity, payment of the DIP Facility Claims and other Effective Date transactions as more fully described in the Plan and the Disclosure Statement. These Financial Projections include pro forma adjustments to reflect the proposed restructuring, but do not purport to represent all aspects of the Financial Accounting Standards Board Accounting Standards Codification Topic 852, Reorganizations.

K. Capital Structure and Liquidity

The Financial Projections include the effect of canceling the prepetition bank and bond debt of the Reorganized debtors in exchange for the New Term Loan and New Common Interests as more fully described herein. Furthermore, the Financial Projections reflect issuing an Exit Facility of $90 million, with $65 million anticipated to be funded on the Effective Date. The Exit Facility will be used to repay the Final DIP Facility and to fund the working capital needs of the Reorganized Debtors. The Exit Facility will carry an interest rate of 13%, and the New Term Loan will carry an interest rate of 5%. Both instruments will accrue interest as payment in kind.

The Financial Projections are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Factors that could cause actual results to differ

materially include, but are not limited to: the ability of Reorganized ENXP to operate the Reorganized Debtors' businesses consistent with its projections generally, including the ability to maintain or increase revenue and cash flow to satisfy its liquidity needs, service its indebtedness and finance the ongoing obligations of its business, and to manage its future operating expenses and make necessary capital expenditures; the ability of the Reorganized Debtors to comply with the covenants and conditions under their credit facilities and their ability to borrow thereunder; material declines in demand for oil and gas; changes in production of, or demand for, hydrocarbons; social or political unrest or conflict in areas where ENXP conducts its business; increases in costs including, without limitation, wages, insurance, provisions, changes in rules and regulations applicable to the industry; actions by the courts, the U.S. Department of Justice or other governmental or regulatory authorities, and the results of the legal proceedings to which the Reorganized Debtors or any of their affiliates may be subject; changes in the condition of the Debtors' assets or applicable regulatory standards; the Reorganized Debtors' ability to attract and maintain key executives, managers and employees; changes in general political conditions; and adverse changes in foreign currency exchange rates affecting the Debtors' expenses.].

Schedule 1. Income Statement, EBITDA and Capex

($ millions)		2016E	2017E	2018E	2019E	2020E	2021E
INCOME STATEMENT							
Production:							
Crude	*MMbbls*	*1.1*	*1.2*	*1.4*	*1.5*	*1.7*	*1.8*
Natural gas	*Bcf*	*1.6*	*1.5*	*1.5*	*1.5*	*1.6*	*1.6*
NGL's	*MMbbls*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*
Total production	*MMboe*	*1.6*	*1.6*	*1.8*	*2.0*	*2.1*	*2.3*
Daily production	***Mboe/d***	***4.4***	***4.4***	***5.0***	***5.5***	***5.9***	***6.2***
Price realizations (hedged)							
Crude	*$/bbl*	*$ 36.73*	*$ 43.05*	*$ 44.93*	*$ 46.02*	*$ 46.86*	*$ 47.85*
Natural gas	*$/Mcf*	*$ 2.22*	*$ 3.02*	*$ 3.09*	*$ 3.13*	*$ 3.21*	*$ 3.34*
NGL's	*$/bbl*	*$ 7.57*	*$ 8.80*	*$ 9.18*	*$ 9.40*	*$ 9.57*	*$ 9.77*
Revenue:							
Crude		$ 41.6	$ 50.8	$ 61.9	$ 71.3	$ 78.2	$ 85.3
Natural gas		3.5	4.4	4.5	4.8	5.0	5.4
NGL's		1.6	1.7	1.8	2.0	2.1	2.2
Total revenues		**$ 46.7**	**$ 57.0**	**$ 68.2**	**$ 78.0**	**$ 85.3**	**$ 92.9**
% Growth		*-60.2%*	*22.0%*	*19.7%*	*14.4%*	*25.1%*	*19.1%*
Operating expenses:							
LOE		$ (15.4)	$ (12.3)	$ (12.6)	$ (14.4)	$ (15.7)	$ (17.3)
Severance & production taxes		(2.4)	(2.8)	(3.3)	(3.8)	(4.1)	(4.5)
G&A & other expenses		(10.8)	(9.7)	(9.7)	(9.7)	(9.7)	(9.7)
Depreciation, depletion & amortization		(27.4)	(27.5)	(30.8)	(34.1)	(36.4)	(38.6)
Other non-cash operating expenses		(68.6)	-	-	-	-	-
Total operating expenses		**$ (124.6)**	**$ (52.3)**	**$ (56.5)**	**$ (62.0)**	**$ (65.9)**	**$ (70.1)**
Operating income (loss)		**$ (77.9)**	**$ 4.7**	**$ 11.7**	**$ 16.0**	**$ 19.4**	**$ 22.8**
% Margin		*-167%*	*8%*	*17%*	*21%*	*23%*	*25%*
Other income (expense):							
Interest and other income		$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2
Interest expense		(12.6)	(12.1)	(15.2)	(18.5)	(21.1)	(24.1)
Cancellation of debt income		1,176.4	-	-	-	-	-
Restructuring expense		(23.4)	-	-	-	-	-
Total other income (expense)		**$ 1,140.6**	**$ (12.0)**	**$ (15.0)**	**$ (18.3)**	**$ (21.0)**	**$ (23.9)**
Operating income (loss) before tax		**$ 1,062.7**	**$ (7.2)**	**$ (3.3)**	**$ (2.3)**	**$ (1.5)**	**$ (1.1)**
Income tax benefit (expense)		$ -	$ -	$ -	$ -	$ (0.0)	$ (0.1)
Net income (loss)		**$ 1,062.7**	**$ (7.2)**	**$ (3.3)**	**$ (2.3)**	**$ (1.6)**	**$ (1.1)**
Bridge to EBITDA							
Net income (loss)		$ 1,062.7	$ (7.2)	$ (3.3)	$ (2.3)	$ (1.6)	$ (1.1)
Addback: Interest expense		12.6	12.1	15.2	18.5	21.1	24.1
Addback: Interest income		(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Addback: Income taxes		-	-	-	-	0.0	0.1
Addback: Depreciation, depletion & amortization		27.4	27.5	30.8	34.1	36.4	38.6
Addback: Other non-cash operating expenses		68.6	-	-	-	-	-
Addback: Cancellation of debt income		(1,176.4)	-	-	-	-	-
Addback: Restructuring expense		23.4	-	-	-	-	-
Addback: Non-cash G&A		0.4	0.5	0.5	0.5	0.5	0.5
EBITDAX		**$ 18.6**	**$ 32.7**	**$ 43.1**	**$ 50.6**	**$ 56.3**	**$ 61.9**
% Margin		*40%*	*57%*	*63%*	*65%*	*66%*	*67%*
Capex Summary							
Addback: Capex - Maintenance / workovers		$ (13.3)	$ (9.6)	$ (9.6)	$ (9.6)	$ (9.6)	$ (9.6)
Addback: Capex - Drilling & completion (D&C)		(3.6)	(39.3)	(37.8)	(37.8)	(37.8)	(37.8)
Addback: Capex - Land		(4.1)	(3.4)	(3.4)	(3.4)	(3.4)	(3.4)
Addback: Capitalized G&A		(3.2)	(3.3)	(3.3)	(3.3)	(3.3)	(3.3)
Addback: Other Capex		1.5	-	-	-	-	-
Total capex		**$ (22.7)**	**$ (55.6)**	**$ (54.1)**	**$ (54.1)**	**$ (54.1)**	**$ (54.1)**

Schedule 2. Balance Sheet – Reorganization Adjustments

($ millions)	Predecessor May 31, 2016	Reorganization Adjustments	Successor May 31, 2016
BALANCE SHEET			
Current assets			
Cash and cash equivalents	$ 20.2	$ 4.8	$ 25.0
Accounts receivable - oil & natural gas	5.9	-	5.9
Accounts receivable - other	1.3	-	1.3
Prepaid expenses	1.3	(0.3)	1.0
Other current assets	0.0	-	0.0
Total current assets	**$ 28.8**	**$ 4.4**	**$ 33.2**
Property, plant & equipment			
Unproved oil & natural gas properties	$ -	$ -	$ -
Proved oil & natural gas properties	1,292.6	(68.6)	1,223.9
Other property & equipment	2.5	-	2.5
Less: accumulated depreciation, depletion & amortization	(1,035.9)	-	(1,035.9)
Net property, plant & equipment	**$ 259.1**	**$ (68.6)**	**$ 190.5**
Long-term assets			
Other long-term assets	1.2	-	1.2
Total long-term assets	**$ 1.2**	**$ -**	**$ 1.2**
Total assets	**$ 289.1**	**$ (64.2)**	**$ 224.8**
Current liabilities			
Accounts payable	$ 12.9	$ -	$ 12.9
Accrued & other liabilities	10.0	(5.4)	4.6
Accrued interest	(0.0)	-	(0.0)
DIP loan	40.0	(40.0)	-
Other current liabilities	0.9	-	0.9
Total current liabilities	**$ 63.8**	**$ (45.4)**	**$ 18.4**
Long-term liabilities			
1st Lien Exit Facility	$ -	$ 65.0	$ 65.0
2nd Lien Term Loan	-	40.0	40.0
Other non-current liabilities	6.5	-	6.5
Total long-term liabilities	**$ 6.5**	**$ 105.0**	**$ 111.5**
Liabilities subject to compromise	**$ 1,219.2**	**$ (1,219.2)**	**$ -**
Total liabilities	**$ 1,289.4**	**$ (1,159.6)**	**$ 129.8**
Stockholder's equity	**$ (1,000.4)**	**$ 1,095.4**	**$ 95.0**
Total liabilities & stockholder's equity	**$ 289.1**	**$ (64.2)**	**$ 224.8**

Schedule 3. Balance Sheet

($ millions)	2016E	2017E	2018E	2019E	2020E	2021E
BALANCE SHEET						
Current assets						
Cash and cash equivalents	$ 26.3	$ 6.4	$ 8.7	$ 8.7	$ 7.2	$ 16.2
Accounts receivable - oil & natural gas	5.3	6.9	8.1	8.9	9.6	10.3
Accounts receivable - other	1.3	1.3	1.3	1.3	1.3	1.3
Prepaid expenses	0.8	0.8	0.7	0.6	0.6	0.4
Other current assets	0.0	0.0	0.0	0.0	0.0	0.0
Total current assets	**$ 33.7**	**$ 15.4**	**$ 18.7**	**$ 19.5**	**$ 18.7**	**$ 28.3**
Property, plant & equipment						
Unproved oil & natural gas properties	$ -	$ -	$ -	$ -	$ -	$ -
Proved oil & natural gas properties	1,236.9	1,292.6	1,346.7	1,400.8	1,453.7	1,509.1
Other property & equipment	2.5	2.5	2.5	2.5	2.5	2.5
Less: accumulated depreciation, depletion & amortization	(1,052.0)	(1,078.9)	(1,109.1)	(1,142.7)	(1,175.5)	(1,216.7)
Net property, plant & equipment	**$ 187.5**	**$ 216.2**	**$ 240.0**	**$ 260.6**	**$ 280.7**	**$ 294.9**
Long-term assets						
Other long-term assets	1.2	1.2	1.2	1.2	1.2	1.2
Total long-term assets	**$ 1.2**	**$ 1.2**	**$ 1.2**	**$ 1.2**	**$ 1.2**	**$ 1.2**
Total assets	**$ 222.4**	**$ 232.7**	**$ 259.9**	**$ 281.3**	**$ 300.5**	**$ 324.3**
Current liabilities						
Accounts payable	$ 9.5	$ 9.1	$ 8.4	$ 7.7	$ 8.5	$ 6.3
Accrued & other liabilities	6.1	6.4	6.8	7.1	6.9	7.5
Accrued interest	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Other current liabilities	0.9	0.9	0.9	0.9	0.9	0.9
Total current liabilities	**$ 16.5**	**$ 16.4**	**$ 16.1**	**$ 15.6**	**$ 16.4**	**$ 14.6**
Long-term liabilities						
1st Lien Exit Facility	$ 70.2	$ 85.2	$ 113.2	$ 134.3	$ 151.5	$ 174.6
2nd Lien Term Loan	41.2	43.3	45.6	48.0	50.2	53.1
Other non-current liabilities	6.8	7.4	8.0	8.5	9.1	9.8
Total long-term liabilities	**$ 118.2**	**$ 135.9**	**$ 166.7**	**$ 190.8**	**$ 210.8**	**$ 237.4**
Total liabilities	**$ 134.7**	**$ 152.3**	**$ 182.8**	**$ 206.4**	**$ 227.1**	**$ 252.1**
Stockholder's equity	**$ 87.7**	**$ 80.4**	**$ 77.2**	**$ 74.9**	**$ 73.4**	**$ 72.2**
Total liabilities & stockholder's equity	**$ 222.4**	**$ 232.7**	**$ 259.9**	**$ 281.3**	**$ 300.5**	**$ 324.3**

Schedule 4. Cash Flow Statement

($ millions)	2016E	2017E	2018E	2019E	2020E	2021E
CASH FLOW STATEMENT						
Cash flows from operations:						
Net income (loss)	$ 1,062.7	$ (7.2)	$ (3.3)	$ (2.3)	$ (1.6)	$ (1.1)
Non-cash reconciling items						
Full-cost ceiling impairment	68.6	-	-	-	-	-
Depreciation, depletion & amortization	27.4	27.5	30.8	34.1	36.4	38.6
Non-cash interest and amortization of debt costs	9.9	12.1	15.2	18.5	21.1	24.1
Other non-cash adjustments to net income	(1,176.4)	-	-	-	0.0	0.1
Total non-cash adjustments to net income	$ (1,070.5)	$ 39.6	$ 46.1	$ 52.6	$ 57.6	$ 62.7
Change in working capital						
Accounts receivable	$ (2.2)	$ (1.6)	$ (1.1)	$ (0.8)	$ (0.7)	$ (0.7)
Prepaid expenses & other assets	0.1	0.1	0.1	0.1	0.1	0.1
Accounts payable, accrued and other liabilities	(3.5)	(0.1)	(0.3)	(0.5)	(0.5)	(0.5)
Other working capital changes	(3.3)	-	-	-	-	-
Total working capital adjustments	$ (8.9)	$ (1.7)	$ (1.3)	$ (1.2)	$ (1.1)	$ (1.2)
Net cash from operations	**$ (16.7)**	**$ 30.7**	**$ 41.4**	**$ 49.1**	**$ 54.9**	**$ 60.4**
Cash flows from investments:						
Oil & natural gas capital expenditures	(22.8)	(55.6)	(54.1)	(54.1)	(54.1)	(54.1)
Other cash flows from investing activities	-	-	-	-	-	-
Net cash from investments	**$ (22.8)**	**$ (55.6)**	**$ (54.1)**	**$ (54.1)**	**$ (54.1)**	**$ (54.1)**
Cash flows from financing activities:						
Net proceeds (paydown) - DIP loan	$ (10.0)	$ -	$ -	$ -	$ -	$ -
Net proceeds (paydown) - 1st Lien Exit Facility	65.0	5.0	15.0	5.0	-	-
Other cash flows from investing activities	(1.2)	-	-	-	-	-
Net cash from financing activities	**$ 53.8**	**$ 5.0**	**$ 15.0**	**$ 5.0**	**$ -**	**$ -**
Net change in cash	**$ 14.3**	**$ (19.9)**	**$ 2.3**	**$ (0.0)**	**$ 0.7**	**$ 6.3**
Cash at beginning of period	**$ 12.0**	**$ 26.3**	**$ 6.4**	**$ 8.7**	**$ 6.4**	**$ 9.9**
Cash at end of period	**$ 26.3**	**$ 6.4**	**$ 8.7**	**$ 8.7**	**$ 7.2**	**$ 16.2**

ARTICLE VIII
FEASIBILITY AND BEST INTEREST OF THE CREDITORS

Section 8.01 Feasibility of the Plan

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successors to the Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan. The Plan proposed by the Debtors provides for a reorganization of the Debtors' debt and equity, and for the Debtors and their profitable businesses to continue as going concerns. Accordingly, the Debtors believe that the Plan is feasible and meets the requirements of section 1129(a)(11) of the Bankruptcy Code.

The Debtors, with the assistance of ~~Evercore~~APS, have analyzed their ability to meet their obligations under the Plan. As part of this analysis, the Debtors prepared ~~a projected consolidated income statement~~the Financial Projections set forth in Section 7.03, which ~~includes~~include consolidated, projected, unaudited, final statement information for the Reorganized Debtors for the period ~~beginning [#] and continuing~~2016 through ~~[#]. The Financial Projections are set forth in Section 7.03 herein.~~2021.

The ~~financial projections~~Financial Projections are based on an assumed Effective Date of ~~[ ],~~May 13, 2016 ~~and certain assumptions regarding the Debtors' ability to obtain a Proposed Equity Contribution.~~. To the extent that the Effective Date occurs before or after ~~[ ],~~May 13, 2016, recoveries on account of ~~allowed~~Allowed Claims could be impacted. Creditors and other interested parties should review Article ~~XI~~X of this Disclosure Statement, entitled "~~CERTAIN RISK FACTORS AFFECTING THE DEBTORS," which begins on page 44,~~Certain Risk Factors Affecting the Debtors," for a discussion of certain factors that may affect the future financial performance of the Reorganized Debtors.

Based upon ~~these projections~~the Financial Projections (but subject to the assumptions made in connection therewith), the Debtors submit that further reorganization or liquidation of the Reorganized Debtors is not likely to be required.

Section 8.02 Best Interest of Creditors Test

Before the Plan may be confirmed, the Bankruptcy Court must find (with certain exceptions) that the Plan provides, with respect to each class, that each holder of a claim or interest in such class either: (a) has accepted the Plan; or (b) will receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the amount that such person would receive or retain if the Debtors liquidated under chapter 7 of the Bankruptcy Code. In chapter 7 liquidation cases, unsecured creditors and interest holders of a debtor are paid from available assets generally in the following order, with no junior class receiving any payments until all amounts due to senior classes have been paid fully or any such payment is provided for:

- Secured creditors (to the extent of the value of their collateral);
- Administrative and other priority creditors;
- Unsecured creditors;
- Debt expressly subordinated by its terms or by order of the Bankruptcy Court; and
- Interest holders.

As described in the liquidation analysis set forth in Section 7.01 herein, the Debtors, in consultation with APS, believe that the value of any distributions if these Chapter 11 Cases were converted to a chapter 7 case would be less than the value of distributions under the Plan. The Prepetition Secured Lenders' claims far exceed the value of their collateral and, therefore, in the event of a chapter 7, as per the liquidation analysis set forth in Section 7.01, it is unlikely that

funds would be available to satisfy General Unsecured Claims, Convenience Claims or Convertible Notes Claims to the extent provided in the Plan. In addition, proceeds received in a chapter 7 liquidation are likely to be significantly discounted due to the distressed nature of the sale and the macroeconomic trends surrounding the Debtors' industry, and the Debtors' estates would have to pay the fees and expenses of a chapter 7 trustee in addition to the Professionals' pre-conversion fees and expenses (thereby further reducing cash available for distribution). Manifestly, there would be no distributions on account of interests and other subordinated claims in a chapter 7 proceeding.

ARTICLE IX
CONFIRMATION PROCEDURES

Section 9.01 The Confirmation Hearing

Bankruptcy Code section 1128(a) requires the Bankruptcy Court, after notice, to hold a confirmation hearing.

The Bankruptcy Court has scheduled the Confirmation Hearing for [**April 21, 2016] at [9:30 a.m.] prevailing Central Time**, before the Honorable Russell F. Nelms, United States Bankruptcy Judge, United States Bankruptcy Court for the Northern District of Texas, Eldon B. Mahon U.S. Courthouse, 501 W. 10th Street, Room 204, Fort Worth, Texas 76102.

Objections to confirmation of the Plan must be filed and served on the Debtors and the other required parties, by no later than [**April 15, 2016] at [4:00 p.m.] prevailing Central Time**, all in accordance with the order approving the Disclosure Statement (attached hereto as **Exhibit E**). THE BANKRUPTCY COURT MAY NOT CONSIDER OBJECTIONS TO CONFIRMATION OF THE PLAN IF ANY SUCH OBJECTIONS HAVE NOT BEEN TIMELY SERVED AND FILED IN COMPLIANCE WITH THE ORDER APPROVING THE DISCLOSURE STATEMENT.

Section 9.02 Statutory Requirements for Confirmation of the Plan

At the confirmation hearing, the Bankruptcy Court will be asked to determine whether the requirements of Bankruptcy Code section 1129 have been satisfied. The Debtors believe that the Plan satisfies or will satisfy the applicable requirements, as follows:

- The Plan complies with the applicable provisions of the Bankruptcy Code.
- The Debtors ~~and the RSA Creditor Parties~~, as Plan proponents, will have complied with the applicable provisions of the Bankruptcy Code.
- The Plan has been proposed in good faith and not by any means forbidden by law.
- Any payment made or promised under the Plan for services or for costs and expenses in, or in connection with, these Chapter 11 Cases, or in connection with the Plan and incident to the ~~case~~cases, has been disclosed to the Bankruptcy

~~#5095919.11~~#5095919.17

Court, and any such payment: (a) made before confirmation of the Plan is reasonable; or (b) is subject to approval of the Bankruptcy Court as reasonable if it is to be fixed after confirmation of the Plan.

- The Debtors ~~and RSA Creditor Parties~~, as Plan proponents, have disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of the Debtors, an Affiliate of the Debtors participating in the Plan with the Debtors, or a successor to the Debtors under the Plan, and the appointment to, or continuance in, such office of such individual is consistent with the interests of creditors and equity security holders and with public policy.

- The Debtors ~~and RSA Creditor Parties~~, as Plan proponents, have disclosed the identity of any insider (as defined in Bankruptcy Code section 101) that will be employed or retained by the Reorganized Debtors, and the nature of any compensation for such insider.

- The Plan does not propose any rate change that is subject to approval by a governmental regulatory commission.

- Either each holder of an impaired claim or interest has accepted the Plan, or will receive or retain under the Plan on account of that claim or interest, property of a value, as of the Effective Date of the Plan, that is not less than the amount that the holder would receive or retain if the Debtors were liquidated on that date under chapter 7 of the Bankruptcy Code.

- Each class of claims that is entitled to vote on the Plan has either accepted the Plan or is not impaired under the Plan, or the Plan can be confirmed without the approval of each voting class pursuant to Bankruptcy Code section 1129(b).

- Except to the extent that the holder of a particular claim will agree to a different treatment of its claim, the Plan provides that Administrative Expense Claims, DIP Facility Claims, Priority Tax Claims, ~~and~~ Other Priority Claims, Other Secured Claims, and Convenience Claims will be paid in full, in ~~Cash~~cash, on the Effective Date, or as soon thereafter as practicable, or as permitted by the Bankruptcy Code.

- At least one class of impaired claims will accept the Plan, determined without including any acceptance of the Plan by any insider holding a claim of that class.

- Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors or any successors thereto.

- All fees of the type described in 28 U.S.C. § 1930, including the fees of the United States Trustee, will be paid as of the Effective Date.

- The Debtors have no retirement benefit obligations except for 401(k) plans, and such plans are expected to continue in the Reorganized Debtors.

The Debtors believe that: (a) the Plan satisfies or will satisfy all of the statutory requirements of chapter 11 of the Bankruptcy Code; (b) the Debtors have complied or will have complied with all of the requirements of chapter 11; and (c) the Plan has been proposed in good faith.

1. ***Acceptance by Impaired Classes***

The Bankruptcy Code requires, as a condition to confirmation, that, except as described in the following section, each class of claims or interests that is impaired under the Plan accept the Plan. A class that is not impaired under a plan of reorganization is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. A class is impaired unless the plan: (a) leaves unaltered the legal, equitable and contractual rights to which the claim or interest entitles the holder of that claim or equity interest; or (b) cures any default, reinstates the original terms of such obligation, compensates the holder for certain damages or losses, as applicable, and does not otherwise alter the legal, equitable, or contractual rights to which such claim or interest entitles the holder of such claim or interest.

If an impaired class rejects the Plan, the Debtors reserve the right to seek to confirm the Plan utilizing the "cramdown" provision of section 1129(b) of the Bankruptcy Code.

2. ***Confirmation Without Acceptance by All Impaired Classes***

Bankruptcy Code section 1129(b) allows a bankruptcy court to confirm a plan, even if an impaired class entitled to vote on the plan has not accepted it, provided that the plan has been accepted by at least one impaired class. The Debtors cannot guarantee that all impaired classes will accept the Plan. If one or more of the impaired classes do not accept the Plan, the Debtors intend to seek confirmation of the Plan pursuant to Bankruptcy Code section 1129(b). Bankruptcy Code section 1129(b) states that, notwithstanding an impaired class's failure to accept a plan of reorganization, the plan may still be confirmed, so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan.

The "unfair discrimination" test applies to classes of claims or interests that are of equal priority and are receiving different treatment under a plan. The test does not require that the treatment be the same or equivalent, but that treatment be "fair." In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims of equal rank (*e.g.*, classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly. A plan could treat two classes of unsecured creditors differently without unfairly discriminating against either class.

The "fair and equitable" test applies to classes of different priority and status (*e.g.*, secured versus unsecured) and includes the general requirement that no class of claims receive more than 100 percent of the amount of the allowed claims in the class. As to the dissenting

class, the test sets different standards depending upon the type of claims or equity interests in the class.

The Debtors submit that if the Debtors "cramdown" the Plan pursuant to section 1129(b) of the Bankruptcy Code, the Plan is structured so that it does not "discriminate unfairly" and satisfies the "fair and equitable" requirement. With respect to the unfair discrimination requirement, all classes under the Plan are provided treatment that is substantially equivalent to the treatment that is provided to other classes that have equal rank. With respect to the fair and equitable requirement, no class under the Plan will receive more than 100 percent of the amount of ~~allowed~~Allowed claims in that class. The Debtors believe that the Plan and the treatment of all classes of claims and interests under the Plan satisfy the foregoing requirements for nonconsensual confirmation of the Plan.

The Debtors reserve the right to alter, amend, modify, revoke or withdraw the Plan, any ~~Exhibit~~exhibit thereto and any Plan Supplement document, including to amend or modify it to satisfy Bankruptcy Code section 1129(b), if necessary.

ARTICLE X
CERTAIN RISK FACTORS AFFECTING THE DEBTORS

PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN, ALL HOLDERS OF IMPAIRED CLAIMS SHOULD READ AND CAREFULLY CONSIDER THE FACTORS SET FORTH BELOW, AS WELL AS ALL OTHER INFORMATION SET FORTH OR OTHERWISE REFERENCED IN THIS DISCLOSURE STATEMENT. THESE FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION.

Section 10.01 Certain Bankruptcy Law Considerations

Although the Debtors believe that the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will reach the same conclusion. Moreover, there can be no assurance that modifications to the Plan will not be required for confirmation or that such modifications would not necessitate the re-~~solicitation~~Solicitation of votes. Although the Debtors believe that the Effective Date will occur soon after the confirmation date, there can be no assurance as to such timing. In the event the conditions precedent to confirmation of the Plan have not been satisfied or waived (to the extent possible) by the Debtors or the Requisite Consenting Lenders as of the Effective Date, then the ~~confirmation order~~Confirmation Order will be vacated, no distributions under the Plan will be made, and the Debtors and all holders of claims and interests will be restored to the status quo ante as of the day immediately preceding the confirmation date as though such confirmation date had never occurred.

Section 10.02 Projected Operating and Financial Results

The Debtors have prepared the ~~financial projections~~Financial Projections attached as Section 7.03 herein. The assumptions on which these projections are based, however, are subject to significant uncertainties and, inevitably, some assumptions will not materialize. Also, unanticipated events and circumstances beyond the Reorganized Debtors' control may affect the actual financial results.

Neither the Debtors nor the Reorganized Debtors make any representation as to the accuracy of the projections or the Reorganized Debtors' ability to achieve projected results. The actual results achieved could vary from the projected results and the variations may be material. It is urged that all of the assumptions and other caveats regarding the projections set forth in Section 7.03 hereto be examined carefully in evaluating the Plan.

The projections were not prepared with a view toward public disclosure or compliance with the published guidelines of the SEC or the American Institute of Certified Public Accountants regarding projections or forecasts. No independent auditors have been retained by the Debtors to examine the projections.

Section 10.03 The New Common ~~Shares~~Interests Will Not Be Publicly Traded; Limitations on Transfer

The New Common ~~Shares~~Interests to be issued under the Plan will not be listed on or traded on any nationally recognized market or exchange. Accordingly, there can be no assurance that an active trading market for the New Common ~~Shares~~Interests will develop, nor can any assurance be given as to the prices at which such shares might be traded. In the event an active trading market does not develop, the ability to transfer or sell New Common ~~Shares~~Interests may be substantially limited.

To the extent that the New Common ~~Shares~~Interests issued under the Plan are covered by section 1145(a)(1) of the Bankruptcy Code, they may be resold by the holders thereof without registration under the Securities Act unless the holder is an "underwriter," as defined in section 1145(b) of the Bankruptcy Code with respect to such securities. Resales by persons who receive New Common ~~Shares~~Interests pursuant to the Plan that are deemed to be "underwriters" would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or applicable law. Such persons would only be permitted to sell such securities without registration if they are able to comply with an applicable exemption from registration, including Rule 144 under the Securities Act.

The New Common ~~Shares~~Interests will not be registered under the Securities Act or any state securities laws, and the Debtors make no representation regarding the right of any holder of New Common ~~Shares~~Interests to freely resell the New Common ~~Shares~~Interests.

Section 10.04 Certain Tax Matters

The Plan is subject to substantial uncertainties regarding the application of~~~~ U.S. federal income tax laws, state laws, and local laws to various transactions and events contemplated therein. *See* ~~ARTICLE~~Article XVI below entitled "Certain U.S. Federal Income Tax Consequences of the Plan."

Section 10.05 Parties in Interest May Object to the Plan's Classification of Claims and Interests

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtors believe that the classification of the claims and interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created classes of claims and interests each encompassing claims or interests, as applicable, that are substantially similar to the other claims or interests, as applicable, in each such class. Nevertheless, there can be no assurance that the Court will reach the same conclusion.

Section 10.06 Risks Affecting Recoveries of Holders of Allowed General Unsecured Claims

Distributions to holders of Allowed General Unsecured Claims are contingent on the amount of proceeds available from the Assigned ~~Avoidance Actions.~~Estate Claims. In addition, while the Debtors believe their estimates of Allowed General Unsecured Claims are appropriate, if claims ultimately allowed as Class 5 claims exceed these estimates, distributions to holders of Allowed General Unsecured Claims may be reduced.

Section 10.07 Consequences If the Plan Is Not Confirmed or the Conditions to Effectiveness Are Not Satisfied

There can be no assurance that the Plan as proposed will be approved by the requisite number of holders or amounts of claims or interests or by the Bankruptcy Court. Similarly, in the event that any impaired class or classes vote(s) to reject the Plan, there can be no assurance that the Debtors will be able to obtain confirmation of the Plan under the Bankruptcy Code's ~~so-called~~ "cram ~~-~~down" provisions of Bankruptcy Code § 1129(b).

In the event the Plan is not confirmed within the exclusive time period allotted by the Bankruptcy Code and the Bankruptcy Court's orders for the Debtors to propose and confirm the Plan, any other party-in-interest may propose a plan of reorganization, and subsequent plans may be proposed and approved by the requisite majorities and be confirmed by the Bankruptcy Court. Notwithstanding Bankruptcy Court approval, it is possible that the Plan may not be consummated because of other external factors that may adversely affect the Debtors and their businesses.

Specifically, even if the Debtors obtain the requisite acceptances to confirm the Plan and/or the requirements for a "cram down" are met with respect to any impaired class that has

rejected the Plan, there can be no assurance that the Bankruptcy Court will confirm the Plan. Pursuant to Bankruptcy Code § 1128(b), any party-in-interest, including the United States Trustee, any creditor, or any equity holder, has the right to be heard by the Bankruptcy Court on any issue in these Chapter 11 Cases. It is possible that such a party-in-interest could challenge, among other things, the terms of the Plan or the adequacy of the time period allotted for Solicitation of the Plan. Even if the Bankruptcy Court were to determine that Solicitation was proper, it could still decline to confirm the Plan if it were to find that any statutory condition for confirmation had not been met. Bankruptcy Code § 1129 sets forth the requirements for confirmation. While the Debtors believe that the Plan complies with all of the confirmation requirements, there can be no assurance that the Bankruptcy Court will reach the same conclusion. A party-in-interest may also object to the classification or treatment of any claim or interest and might succeed in persuading the Bankruptcy Court that the classification or treatment of such claim or interest provided by the Plan is improper. In such event, it is the present intention of the Debtors to modify the Plan to provide for whatever reasonable classification or treatment may be required by the Bankruptcy Court for confirmation of the Plan and to use the votes received pursuant to the Solicitation for the purpose of obtaining the approvals of the affected class or classes. However, the reclassification mandated by the Bankruptcy Court might render such course of action impossible, and the Debtors could then be forced to conduct a new ~~solicitation~~Solicitation of acceptances of the Plan, as modified.

The confirmation and effectiveness of the Plan are also subject to certain conditions. *See* ~~below~~Article XII, titled "Conditions Precedent to ~~confirmation~~Confirmation and ~~consummation~~Consummation of the Plan." There can be no assurance that these conditions to confirmation and effectiveness of the Plan will be satisfied, or if not satisfied, that the Debtors or the Requisite Consenting Lenders, as applicable, will waive such conditions. Therefore, even if the Plan is confirmed by the Bankruptcy Court, there can be no assurance that it will subsequently be consummated and the restructuring completed.

Furthermore, there can be no assurance that modifications of the Plan will not be required for its confirmation, or that such modifications would not require ~~resolicitation~~re-Solicitation of acceptances from one or more classes of impaired claims and interests.

Finally, the RSA contains expedited milestones for the Debtors to confirm the Plan and for its consummation. There can be no assurance that the Bankruptcy Court will confirm the Plan within the required milestones or that the Debtors will be able to timely consummate the Plan. In the event the Debtors fail to meet the milestones and do not secure an extension from the Requisite Supermajority Consenting Secured Lenders, the Debtors are required to commence a sale process within three (3) business days.

Section 10.08 Continued Risk upon Confirmation

Even if the Plan is consummated, the Debtors will continue to face a number of risks, including certain risks that are beyond their control, such as further deterioration or other changes in economic conditions, changes in the industry, potential revaluing of their assets due to chapter 11 proceedings, changes in consumer demand for, and acceptance of, their oil and gas, and increasing expenses. Some of these concerns and effects typically become more acute when

a case under the Bankruptcy Code continues for a protracted period without indication of how or when the case may be completed. As a result of these risks and others, there is no guarantee that a chapter 11 plan of reorganization reflecting the Plan will achieve the Debtors' stated goals.

In addition, at the outset of the Chapter 11 Cases, the Bankruptcy Code provides the Debtors with the exclusive right to propose the Plan and prohibits creditors and others from proposing a plan. The Debtors will have retained the exclusive right to propose the Plan upon filing their Petitions. of reorganization. If the Court terminates that right, however, or the exclusivity period expires, there could be a material adverse effect on the Debtors' ability to achieve confirmation of the Plan in order to achieve the Debtors' stated goals.

Furthermore, even if the Debtors' debts are reduced and/or discharged through the Plan, the Debtors may need to raise additional funds through public or private debt or equity financing or other various means to fund the Debtors' businesses after the completion of the proceedings related to the Chapter 11 Cases. Adequate funds may not be available when needed or may not be available on favorable terms.

Section 10.09 The Chapter 11 Cases May Be Converted to Cases Under Chapter 7 of the Bankruptcy Code

If the Court finds that it would be in the best interest of creditors and/or the debtor in a chapter 11 case, the Court may convert a chapter 11 bankruptcy case to a case under chapter 7 of the Bankruptcy Code. In such event, a chapter 7 trustee would be appointed or elected to liquidate the debtor's assets for distribution in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that liquidation under chapter 7 would result in significantly smaller distributions being made to creditors than those provided for in a chapter 11 plan because of (a) the likelihood that the assets would have to be sold or otherwise disposed of in a disorderly fashion over a short period of time rather than reorganizing or selling in a controlled manner affecting the business as a going concern, (b) additional administrative expenses involved in the appointment of a chapter 7 trustee, and (c) additional expenses and claims, some of which would be entitled to priority, that would be generated during the liquidation, including claims resulting from the rejection of unexpired leases and other executory contracts in connection with cessation of operations.

Risks Associated with the New Common Shares and Noteholder Warrants

The issuance of new securities involves adherence to certain securities law regulations. Although the Debtors believe the securities issued in accordance with the Plan are exempt from or satisfy the securities law requirements, there can be no assurance that the Bankruptcy Court or any applicable regulatory agency will decide that the relevant exemptions apply to these issuances.

Section 10.10 The Effect of Bankruptcy on the Debtors' Business

The Debtors have attempted to minimize the potential adverse effect of these Chapter 11 Cases upon the Debtors' relationships with their employees, suppliers, vendors, royalty owners, and customers, by, among other things, filing the proposed Disclosure Statement and the Plan (which provides for resolution of the Debtors' secured debt and a recovery for general unsecured debt) as closely as possible to the Petition Date in the hopes of minimizing the time the Debtors will spend in chapter 11.. Nonetheless, the filing of these Chapter 11 Cases by the Debtors and the publicity attendant thereto might still adversely affect the Debtors' business and the businesses of its subsidiaries. The Debtors are hopeful that relationships with their employees, suppliers, vendors, royalty owners and customers have been maintained and will not suffer further erosion if the Plan is confirmed and consummated in a timely fashion.

However, adverse effects are likely to be experienced during the pendency of any increasingly protracted bankruptcy case. In light of financing and other potential concerns, it is not certain the degree to which the Debtors could survive as a going concern in a protracted chapter 11 case. The Debtors could have difficulty sustaining the high costs, and the erosion of vendor and customer confidence that may be caused if they remain in bankruptcy for an extended period. Ultimately, there could be no assurance that the Debtors (or, if exclusivity were terminated, other parties-in-interest) would not be forced to liquidate under chapter 7.

Section 10.11 The Reorganized Debtors May be Subject to Claims That Were Not Discharged in these Chapter 11 Cases, Which Could Have a Material Adverse Effect on the Reorganized Debtors' Results of Operations and Profitability

The Debtors expect that substantially all of the claims against them that arose prior to the Petition Date will be resolved during these Chapter 11 Cases. Subject to certain exceptions and as set forth in the Plan, all claims against and interests in the Debtors that arose prior to the Petition Date (a) are subject to compromise and/or treatment under the Plan and (b) may be discharged in accordance with the and subject to the Bankruptcy Code and the terms of the Plan. However, depending on the claims that are asserted against the Debtors, it is possible that certain claims and other obligations that arose prior to the Debtors' bankruptcy filing may not be discharged, including instances where the claimant had inadequate notice of the bankruptcy filing, certain governmental claims that are determined to be nondischargeable, or claims subject to valid arguments regarding when such claim arose as a matter of law or otherwise.

Section 10.12 The Backstop Commitment May Not be Obtained and the Backstop Commitment Letter May be Terminated

The commitment of the Backstop Parties set forth in the Backstop Commitment Letter is subject to specified conditions and may be terminated under the terms thereof if such conditions are not satisfied. It is unlikely that the Debtors will be able to consummate the Plan in its current form if the Backstop Commitment Letter is terminated and the Rights Offering Proceeds are not received.

~~Section 10.12~~Section 10.13 Substantial Risks Inherent to the Debtors' Businesses

A. The Reorganized Debtors May Not Be Able to Generate Sufficient Cash to ~~Services~~Service All of their Indebtedness

The Reorganized Debtors' ability to make scheduled payments on, or refinance their debt obligations, depends on the Reorganized Debtors' financial condition and operating performance, which are subject to prevailing economic, industry, and competitive conditions and to certain financial, business, legislative, regulatory, and other factors beyond the Reorganized Debtors' control. The Reorganized Debtors may be unable to maintain a level of cash flow from operating activities sufficient to permit the Reorganized Debtors to pay the principal, premium, if any, and interest on their indebtedness, including, without limitation, anticipated borrowings under the Exit Financing upon emergence.

B. The Debtors Will Be Subject to the Risks and Uncertainties Associated with the Chapter 11 Cases

For the duration of the Chapter 11 Cases, the Debtors' ability to operate, develop, and execute a business plan, and continue as a going concern, will be subject to the risks and uncertainties associated with bankruptcy. These risks include the following: (a) ability to develop, confirm, and consummate the restructuring transactions specified in the Plan; (b) ability to obtain Court approval with respect to motions filed in the Chapter 11 Cases from time to time; (c) ability to maintain relationships with suppliers, service providers, customers, employees, royalty interest holders, working interest holders, and other third parties; (d) ability to maintain contracts that are critical to the Debtors' operations; (e) ability of third parties to seek and obtain Court approval to terminate contracts and other agreements with the Debtors; (f) ability of third parties to seek and obtain Court approval to terminate or shorten the exclusivity period for the Debtors to propose and confirm a chapter 11 plan, to appoint a chapter 11 trustee, or to convert the Chapter 11 Cases to chapter 7 proceedings; and (g) the actions and decisions of the Debtors' creditors and other third parties who have interests in the Chapter 11 Cases that may be inconsistent with the Debtors' plans.

These risks and uncertainties could affect the Debtors' businesses and operations in various ways. For example, negative events associated with the Chapter 11 Cases could adversely affect the Debtors' relationships with suppliers, service providers, customers, employees, and other third parties, which in turn could adversely affect the Debtors' operations and financial condition. Also, the Debtors will need the prior approval of the Court for transactions outside the ordinary course of business, which may limit the Debtors' ability to respond timely to certain events or take advantage of certain opportunities. Because of the risks and uncertainties associated with the Chapter 11 Cases, the Debtors cannot accurately predict or quantify the ultimate impact of events that occur during the Chapter 11 Cases that may be inconsistent with the Debtors' plans.

C. Financial Results May Be Volatile and May Not Reflect Historical Trends.

During the Chapter 11 Cases, the Debtors expect that their financial results will continue to be volatile as asset impairments, asset dispositions, restructuring activities and expenses, contract terminations and rejections, and claims assessments significantly impact the Debtors' consolidated financial statements. As a result, the Debtors' historical financial performance likely will not be indicative of their financial performance after the Petition Date.

In addition, if the Debtors emerge from chapter 11, the amounts reported in subsequent consolidated financial statements may materially change relative to historical consolidated financial statements and the Financial Projections, including as a result of revisions to the Debtors' operating plans pursuant to a plan of reorganization. The Debtors also may be required to adopt fresh start accounting, in which case their assets and liabilities will be recorded at fair value as of the fresh start reporting date, which may differ materially from the recorded values of assets and liabilities on the Debtors' consolidated balance sheets. The Debtors' financial results after the application of fresh start accounting also may be different from historical trends.

D. TheThe Debtors' and Reorganized Debtors' Substantial Liquidity Needs May Impact Production Levels and Revenue.

The Debtors' principal sources of liquidity historically have been cash flow from operations, sales of oil and gas properties, and borrowings under the Prepetition Secured Facility and the Convertible Notes. If the Debtors' cash flow from operations remains depressed or decreases as a result of lower commodity prices or otherwise, the Debtors' ability to expend the capital necessary to replace proved reserves, maintain leasehold acreage, or maintain current production may be limited, resulting in decreased production and proved reserves over time.

The Debtors face uncertainty regarding the adequacy of their liquidity and capital resources and have extremely limited, if any, access to additional financing. In addition to the cash necessary to fund ongoing operations, the Debtors have incurred significant professional fees and other costs in connection with preparing for the Chapter 11 Cases and expect to continue to incur significant professional fees and costs throughout the Chapter 11 Cases. The Debtors cannot guarantee that cash on hand, cash flow from operations, and cash provided by the DIP Facility will be sufficient to continue to fund their operations and allow the Debtors to satisfy obligations related to the Chapter 11 Cases until the Debtors are able to emerge from bankruptcy protection.

TheThe Debtors' and the Reorganized Debtors' liquidity, including the ability to meet ongoing operational obligations, will be dependent upon, among other things: (a) ability to comply with the terms and condition of any debtor-in-possession financing and/or cash collateral order entered by the Court in connection with the Chapter 11 Cases; (b) ability to maintain adequate cash on hand; (cb) ability to generate cash flow from operations; (d) ability to develop, confirm, and consummate a chapter 11 plan or other alternative restructuring transaction; and (ec) the cost, duration, and outcome of the Chapter 11 Cases. TheThe Debtors' and the Reorganized Debtors' ability to maintain adequate liquidity depends, in part, upon industry conditions and general economic, financial, competitive, regulatory, and other factors beyond the

Debtors' their control. In the event that cash on hand, cash flow from operations, and cash provided under the DIP Facilityany financing facility are not sufficient to meet the Debtors' liquidity needs, the Debtors may be required to seek additional financing. The Debtors can provide no assurance that additional financing would be available or, if available, offered to the Debtors on acceptable terms. The Debtors' access to additional financing is, and for the foreseeable future likely will continue to be, extremely limited if it is available at all. In addition, the Debtors' ability to consummate the Plan is dependent on their ability to obtain exit financing in an amount sufficient to fund their post-petition operations.the Exit Facility. The Debtors can provide no assurance that exit financingthe Exit Facility will be available in an amount necessary to fund their future operations or, if available, offered on terms (and in an amount) that are acceptable to the Debtors and the Requisite Majority Consenting Secured Lenders. . The Reorganized Debtors' long-term liquidity requirements and the adequacy of their capital resources are difficult to predict at this time.

E. Oil and Natural Gas Prices are Volatile, and Continued Low Oil or Natural Gas Prices Could Materially Adversely Affect the Debtors' Businesses, Results of Operations, and Financial Condition.

The Debtors' revenues, profitability and the value of the Debtors' properties substantially depend on prevailing oil and natural gas prices. Oil and natural gas are commodities, and therefore, their prices are subject to wide fluctuations in response to changes in supply and demand. Oil and natural gas prices historically have been volatile and are likely to continue to be volatile in the future, especially given current economic and geopolitical conditions. During 2015, NYMEX-WTI[29] oil prices fell from an already depressed $60 per Bbl to as low as $3528 per Bbl, with prices continuing to fall to an 11-year low of just $33.97 per Bbl as of close of markets on January 6, 2016. Over the same period, Henry Hub[30] natural gas prices fell from as high as $3.70 per MMBtu[31] to as low as $1.80 per MMBtu, with prices which was the closing at $2.27 per MMBtu on January 6price as of March 11, 2016. The Debtors expect such volatility to continue in the future. The prices for oil and natural gas are subject to a variety of factors beyond the Debtors' control, such as:

- The current uncertainty in the global economy;
- Changes in global supply and demand for oil and natural gas;
- The condition of the United States and global economies;
- The actions of certain foreign countries;

[29] West Texas Intermediate light sweet crude oil delivered to Cushing, Oklahoma and listed with the New York Mercantile Exchange.

[30] Natural Gas delivered to the Henry Hub in Louisiana and listed on the New York Mercantile Exchange.

[31] "MMBtu" is a unit of measurement meaning one million British thermal units.

- The price and quantity of imports and foreign oil and natural gas;
- Political conditions, including embargoes, war or civil unrest in or affecting other oil producing activities of certain countries;
- The level of global oil and natural gas exploration and production activity;
- The level of global oil and natural gas inventories;
- Production or pricing decisions made by the Organization of Petroleum Exporting Countries ("**OPEC**");
- Weather conditions;
- Technological advances affecting energy consumption; and
- The price and availability of alternative fuels.

Oil and natural gas prices affect the amount of cash flow available to the Debtors to meet their financial commitments and fund capital expenditures. Oil and natural gas prices also impact the Debtors' ability to borrow money and raise additional capital. Lower oil and natural gas prices may not only decrease the Debtors' revenues on a per-unit basis, but also may reduce the amount of oil and natural gas that the Debtors can produce economically in the future. Higher operating costs associated with any of the Debtors' oil or natural gas fields will make their profitability more sensitive to oil or natural gas price declines. A sustained decline in oil or natural gas prices may materially and adversely affect the Debtors' future business, financial condition, results of operations, liquidity or ability to finance planned capital expenditures. In addition, a sustained decline in oil or natural gas prices might result in substantial downward estimates of the Debtors' proved reserves. As a result, if there is a further decline or sustained depression in commodity prices, the Debtors may, among other things, be unable to maintain or increase their borrowing capacity, meet their debt obligations or other financial commitments, or obtain additional capital, all of which could materially adversely affect the Debtors' businesses, results of operations, and financial condition.

F. Drilling for and Producing Natural Gas and Oil are High Risk Activities with Many Uncertainties that Could Adversely Affect the Debtors' Business, Financial Condition and Results of Operations.

The Debtors' future success will depend on, among other things, the success of their exploitation, exploration, development, and production activities. The Debtors' natural gas and oil exploration and production activities are subject to numerous risks beyond their control, including the risk that drilling will not result in commercially viable oil or natural gas production. The Debtors' decisions to purchase, explore, develop, or otherwise exploit prospects or properties will depend in part on the evaluation of data obtained through geophysical and geological analysis, production data and engineering studies, the results of which are often inconclusive or subject to varying interpretations. The Debtors' costs of drilling, completing, and

operating wells are often uncertain before drilling commences. Overruns in budgeted expenditures are common risks that can make a particular project uneconomical. Further, the Debtors' future business, financial condition, results of operations, liquidity, or ability to finance planned capital expenditures could be materially and adversely affected by any factor that may curtail, delay, or cancel drilling, including the following:

- Delays imposed by or resulting from compliance with regulatory requirements;
- Unusual or unexpected geological transformations;
- Pressure of irregularities in geological formations;
- Shortages of or delays in obtaining equipment and qualified personnel;
- Equipment malfunctions, failures or accidents;
- Unexpected operational events and drilling conditions;
- Pipe or cement failures;
- Casing collapses;
- Lost or damaged oilfield drilling and service tools;
- Loss of drilling fluid circulation;
- Uncontrollable flows of oil, natural gas and fluids;
- Fires and natural disasters;
- Environmental hazards, such as natural gas leaks, oil spills, pipeline ruptures and discharges of toxic gases;
- Adverse weather conditions;
- Reactions in oil and natural gas prices;
- Natural gas and oil property title problems; and
- Market limitations for natural gas and oil.

If any of these factors were to occur with respect to a particular field, the Debtors could lose all or a part of their investment in the field, or they could fail to realize the expected benefits from the field, either of which could materially and adversely affect their revenue and profitability.

~~G. Commodity Prices and Hedging May Present Additional Risks.~~

~~During the Chapter 11 Cases, the Debtors' ability to enter into new commodity derivatives covering additional estimated future production will depend upon either entering into unsecured hedges or obtaining Court approval to enter into secured hedges. As a result, the Debtors may not be able to enter into additional commodity derivatives covering their production in future periods on favorable terms or at all. If the Debtors cannot or choose not to enter into commodity derivatives in the future, the Debtors could be more affected by changes in commodity prices than their competitors that engage in hedging arrangements. The Debtors' inability to hedge the risk of low commodity prices in the future, on favorable terms or at all, could have a material adverse impact on their businesses, financial condition, and results of operations.~~

~~If the Debtors are able to enter into any commodity derivatives, such derivatives may limit the benefit the Debtors would receive from increases in commodity prices. These arrangements would also expose the Debtors to risk of financial losses in some circumstances, including the following: (a) the Debtors' production could be materially less than expected; or (b) the counterparties to the contracts could fail to perform their contractual obligations.~~

~~If the Debtors' actual production and sales for any period are less than the production covered by any commodity derivatives (including reduced production due to operational delays) or if the Debtors are unable to perform their exploration and development activities as planned, the Debtors might be required to satisfy a portion of their obligations under those commodity derivatives without the benefit of the cash flow from the sale of that production, which may materially impact the Debtors' liquidity. Additionally, if market prices for production exceed collar ceilings or swap prices, the Debtors would be required to make monthly cash payments, which could materially adversely affect their liquidity.~~

~~RESALE OF SECURITIES RECEIVED UNDER THE PLAN~~

ARTICLE XI
IMPORTANT SECURITIES LAW DISCLOSURE

~~Section 10.13~~Section 11.01 Issuance of New Common ~~Shares~~Interests

Bankruptcy Code § 1145(a)(1) exempts the offer and sale of securities under a plan of reorganization from registration under Section 5 of the Securities Act and state laws if three (3) principal requirements are satisfied:

(a) the securities must be offered and sold under a plan of reorganization and must be securities of the debtor, of an affiliate participating in a joint plan with the debtor, or of a successor to the debtor under the plan;

(b) the recipients of the securities must hold prepetition or administrative expense claims against the debtor or interests in the debtor; and

(c) the securities must be issued entirely in exchange for the recipient's claim against or interest in the debtor, or principally in exchange for such claims or interests and partly for cash or property.

The Debtors believe that the issuance of the New Common SharesInterests and Noteholder Warrants under the Plan would satisfy the requirements of Bankruptcy Code § 1145(a)(1) and would be, therefore, exempt from registration under the Securities Act and state securities laws.

The Debtors also anticipate that they or the Reorganized Debtors (as applicable) would intend to seek to qualify for exemptions from registration, pursuant to Section 4(2) of the Securities Act, Regulation D of the Securities Act, Rule 701 promulgated under the Securities Act, or otherwise, for the issuance of the New Common Shares, Noteholder Warrants, or any other equity securities of the Reorganized Debtors in the future in connection with the exercise of any warrants to be issued under the Plan, or any stock options under the Management Incentive Plan or otherwise.

Section 10.14Section 11.02 Subsequent Transfers Under Federal Securities Laws

The Debtors believe that all resales and subsequent transactions in the New Common SharesInterests and Noteholder Warrants would be exempt from registration under federal and state securities laws, unless the holder thereof is an "underwriter" with respect to such securities. Bankruptcy Code § 1145(b) defines four (4) types of "underwriters":

1. personsPersons who purchase a claim against, an interest in, or a claim for an administrative expense against, the debtor, with a view to distributing any security received in exchange for such a claim or interest;

1. personsPersons who offer to sell securities offered under a plan for the holders of such securities;

2.3. personsPersons who offer to buy such securities from the holders of such securities, if the offer to buy is: (a) with a view to distributing such securities; and (ii) made under a distribution agreement and (b) under an agreement made in connection with the plan, the consummation of the plan, or with the offer or sale of securities under the plan; or

3.4. aA person who is an "issuer" with respect to the securities, as the term "issuer" is defined in Section 2(11) of the Securities Act.

Under Section 2(11) of the Securities Act, an "issuer" includes any person directly or indirectly controlling or controlled by the issuer, or any person under direct or indirect common control of the issuer. To the extent that persons who receive the New Common SharesThe definition of an "issuer" for purposes of whether a Person is an underwriter under section 1145(b)(1)(D) of the Bankruptcy Code, by reference to Section 2(a)(11) of the Securities Act, includes as "statutory underwriters" all Persons who, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with, an issuer of

securities. The reference to "issuer," as used in the definition of "underwriter" contained in Section 2(a)(11), is intended to cover "controlling persons" of the issuer of the securities. "Control," as defined in Rule 405 of the Securities Act, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise. Accordingly, an officer or director of a reorganized debtor or its successor under a plan of reorganization may be deemed to be a "controlling person" of such debtor or successor, particularly if the management position or directorship is coupled with ownership of a significant percentage of the reorganized debtor's or its successor's voting securities. Moreover, the legislative history of section 1145 of the Bankruptcy Code suggests that a creditor who owns ten percent (10%) or more of a class of securities of a reorganized debtor may be presumed to be a "controlling person" and, therefore, an underwriter.

To the extent that persons who receive the New Common Interests or Noteholder Warrants pursuant to the Plan are deemed to be "underwriters," resales by such persons would not be exempted by Bankruptcy Code §1145 from registration under the Securities Act or other applicable law. Persons deemed to be underwriters would, however, be permitted to sell the New Common ~~Shares~~Interests or Noteholder Warrants without registration pursuant to the provisions of Rule 144 under the Securities Act or any other applicable exemption from registration. For example, Rule 144 permits the public sale of securities received by "underwriters" if current information regarding the issuer is publicly available and if volume limitations and certain other conditions are met. Other exemptions to the registration requirements of the Securities Act might be applicable in a particular situation. Whether or not any particular person would be deemed to be an "underwriter" with respect to the New Common ~~Shares~~Interests or Noteholder Warrants to be issued pursuant to the Plan would depend upon various facts and circumstances applicable to that person. Accordingly, the Debtors express no view as to whether any particular person receiving the New Common ~~Shares~~Interests or Noteholder Warrants under the Plan would be an "underwriter" with respect to such securities.

GIVEN THE COMPLEX AND SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A PARTICULAR HOLDER MAY BE AN UNDERWRITER, THE DEBTORS MAKE NO REPRESENTATION CONCERNING THE RIGHT OF ANY PERSON TO TRADE IN THE NEW COMMON ~~SHARES~~INTERESTS OR NOTEHOLDER WARRANTS. THE DEBTORS RECOMMEND THAT POTENTIAL RECIPIENTS OF THE NEW COMMON ~~SHARES~~INTERESTS OR NOTEHOLDER WARRANTS CONSULT THEIR OWN COUNSEL CONCERNING WHETHER THEY MAY FREELY TRADE SUCH SECURITIES WITHOUT COMPLIANCE WITH THE SECURITIES ACT OR THE SECURITIES EXCHANGE ACT OF 1934 AS WELL AS ANY STATE LAWS.

~~Article XI~~ARTICLE XII
CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN

~~Section 11.01~~Section 12.01 Conditions Precedent to Confirmation

The following are conditions precedent to confirmation of the Plan, each of which must be satisfied or waived:

1. The Bankruptcy Court shall have entered an order, in form and substance reasonably acceptable to the Requisite Consenting Lenders, in consultation with the Debtors, approving the Disclosure Statement as containing adequate information within the meaning of section 1125 of the Bankruptcy Code, and such ~~Order~~order shall have become a Final Order;

2. The Plan and all documents contained in the Plan Supplement, including any exhibits, schedules, amendments, modifications or supplements thereto, shall have been filed in substantially final form and in form and substance reasonably acceptable to the Requisite Consenting Lenders, in consultation with the Debtors; and

3. The ~~confirmation order~~Confirmation Order shall include, to the fullest extent permitted by applicable law, a finding of fact that the Reorganized Debtors, the Consenting Secured Lenders, the Consenting Noteholders, and their respective Related Persons acted in good faith within the meaning of and with respect to all of the actions described in Bankruptcy Code § 1125(e) and are therefore not liable for the violation of any applicable law, rule, or regulation governing such actions.

~~Section 11.02~~Section 12.02 Conditions Precedent to the Effective Date of the Plan

The following are conditions precedent to the occurrence of the Effective Date of the Plan, each of which must be satisfied or waived:

1. The RSA shall have been approved pursuant to a Final Order of the Bankruptcy Court and shall not have been terminated in accordance with its terms;

2. The Debtors shall have negotiated, executed and delivered the definitive documentation with respect to the Plan and the Plan Supplement, in form and substance acceptable to the Debtors and the Requisite Consenting Lenders and otherwise consistent with the terms and conditions of the RSA;

3. The ~~confirmation order~~Confirmation Order shall have been entered in form and substance reasonably acceptable to the Requisite Consenting Lenders, in consultation with the Debtors, and such order shall have become a Final Order;

4. On or simultaneously with the occurrence of the Effective Date, the Debtors shall have closed on the Exit Facility, which Exit Facility shall be in form and substance acceptable to the Debtors and the Requisite Supermajority Consenting Secured Lenders; and

5. There shall not be in effect any (i) order entered by any court of any competent jurisdiction; (ii) order, opinion, ruling or other decision entered by any administrative or governmental entity or (iii) applicable law, staying, restraining, enjoining or otherwise prohibiting or making illegal the consummation of any of the transactions contemplated by this Plan.

~~Section 11.03~~Section 12.03 Substantial Consummation

On the Effective Date, the Plan shall be deemed to be substantially consummated under Bankruptcy Code §§ 1101 and 1127(b).

~~Section 11.04~~Section 12.04 Notice of the Effective Date

Within five (5) Business Days after the Effective Date, the Debtors shall file on the docket of the Bankruptcy Court a *Notice of Effective Date* stating that (i) all conditions to the occurrence of the Effective Date have been satisfied or waived; (ii) the Effective Date has occurred and specifying the date thereof for all purposes under the Plan; and (iii) setting forth the name, address and telephone number for the Reorganized Debtors.

~~Section 11.05~~Section 12.05 Waiver of Conditions

Each of the conditions set forth in Section 12.01 or Section 12.02 hereof may be waived in whole or in part by the Debtors with the consent of the Requisite Consenting Lenders, as applicable. The failure to satisfy or waive any condition to confirmation or the Effective Date may be asserted by the Debtors regardless of the circumstances giving rise to the failure of such condition to be satisfied.

~~Section 11.06~~Section 12.06 Revocation, Withdrawal, or Non-Consummation

The Debtors reserve the right to revoke or withdraw the Plan at any time before the confirmation date and to file subsequent plans of reorganization. If the Debtors revoke or withdraw the Plan, or if confirmation or consummation of the Plan does not occur, then (i) the Plan shall be null and void in all respects; (ii) any settlement or compromise embodied in the Plan (including the fixing, allowance or limiting to an amount certain of any claim or interests or class of claims or interests), unless otherwise agreed to by the Debtors and any counterparty to such settlement or compromise, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; (iii) certain termination events or triggers may occur under the RSA; and (iv) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (a) constitute or be deemed to constitute a waiver or release of any claims by or against, or any interests in, the Debtors or any other Person, (b) prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors, or (c) constitute an admission of any sort by the Debtors or any other Person

~~Article XII~~ARTICLE XIII
AMENDMENTS AND MODIFICATIONS

The Debtors may alter, amend, or modify the Plan, and all documents, forms, lists and agreements contemplated under the Plan (including, but not limited to the Plan Supplement) (the "**Plan Documents**"), or any ~~Exhibits~~exhibits thereto under Bankruptcy Code § 1127(a) at any time before the confirmation date; *provided, however*, that if any amendment, modification or supplement to the Plan (including the Plan Supplement or any ~~Exhibit~~exhibit hereto or thereto) is made without the prior written consent of the Requisite Consenting Lenders, then pursuant to the RSA, the Requisite Consenting Lenders shall have no obligation to support, or take any actions in support of, the Plan and may be entitled to exercise other remedies thereunder. After the confirmation date and before "substantial consummation" of the Plan, as defined in Bankruptcy Code § 1101(2), the Debtors may, under Bankruptcy Code § 1127(b), institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the ~~confirmation order~~Confirmation Order, and such matters as may be necessary to carry out the purposes and effects of the Plan, so long as such proceedings do not materially adversely affect the treatment of holders of claims or interests under the Plan; *provided, however*, that prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or order of the Bankruptcy Court.

~~Article XIII~~ARTICLE XIV
EFFECT OF THE PLAN ON CLAIMS AND INTERESTS

~~Section 13.01~~Section 14.01 Compromise and Settlements

Except for any Avoidance Actions ~~(including~~, the Assigned ~~Avoidance Actions)~~Estate Claims and causes of action of the Debtors that are being retained by the Reorganized Debtors pursuant to Section ~~[~~5.~~17]~~14 of the Plan, pursuant to Bankruptcy Code § 363 and Bankruptcy Rule 9019, and in consideration for the classification, distribution and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all claims, interests and controversies resolved pursuant to the Plan, including, without limitation, all claims arising before the Petition Date, whether known or unknown, foreseen or unforeseen, asserted or unasserted, arising out of, relating to or in connection with the business or affairs of, or transactions with, the Debtors. The entry of the ~~confirmation order~~Confirmation Order shall constitute the Bankruptcy Court's approval of each of the foregoing compromises or settlements, and all other compromises and settlements provided for in the Plan, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best interests of the Debtors, the estates, Creditors, holders of interests and other parties in interest, and are fair, equitable and within the range of reasonableness.

~~Section 13.02~~Section 14.02 Satisfaction of Claims

The rights afforded in the Plan and the treatment of all claims and interests herein shall be in exchange for and in complete satisfaction, discharge, and release of all claims and interests of any nature whatsoever against the Debtors or their estates, assets, properties, or interests in

property. Except as otherwise provided in the Plan and/or the ~~confirmation order~~Confirmation Order, on the Effective Date, all claims against and interests in the Debtors shall be satisfied, discharged, and released in full. None of the Debtors, the Reorganized Debtors or their Affiliates, will be responsible for any pre-Effective Date obligations of the Debtors, except those expressly assumed by the Debtors or the Reorganized Debtors, as applicable. Except as otherwise provided in the Plan and/or the ~~confirmation order~~Confirmation Order, all Persons and Entities shall be precluded and forever barred from asserting against the Debtors, the Reorganized Debtors, or their Affiliates, their respective successors or assigns, or their estates, assets, properties, or interests in property any event, occurrence, condition, thing, or other or further claims or causes of action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came into existence before the Effective Date, whether or not the facts of or legal bases therefore were known or existed before the Effective Date.

~~Section 13.03~~Section 14.03 Discharge of Liabilities

PURSUANT TO BANKRUPTCY CODE § 1141(D), AND EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THE PLAN AND/OR THE CONFIRMATION ORDER, THE PLAN DISTRIBUTIONS, RIGHTS, AND TREATMENT THAT ARE PROVIDED IN THE PLAN SHALL BE IN COMPLETE SATISFACTION, DISCHARGE, AND RELEASE, EFFECTIVE AS OF THE EFFECTIVE DATE, OF ALL CLAIMS, INTERESTS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER, INCLUDING ANY INTEREST ACCRUED ON CLAIMS OR INTERESTS FROM AND AFTER THE PETITION DATE, WHETHER KNOWN OR UNKNOWN, AGAINST, LIABILITIES OF, LIENS ON, OBLIGATIONS OF, RIGHTS AGAINST, AND INTERESTS IN, THE DEBTORS OR ANY OF THEIR ASSETS OR PROPERTIES, REGARDLESS OF WHETHER ANY PROPERTY SHALL HAVE BEEN DISTRIBUTED OR RETAINED PURSUANT TO THE PLAN ON ACCOUNT OF SUCH CLAIMS AND INTERESTS, INCLUDING DEMANDS, LIABILITIES, AND CAUSES OF ACTION THAT AROSE BEFORE THE EFFECTIVE DATE, ANY LIABILITY (INCLUDING WITHDRAWAL LIABILITY) TO THE EXTENT SUCH CLAIMS OR INTERESTS RELATE TO SERVICES PERFORMED BY EMPLOYEES OF THE DEBTORS BEFORE THE EFFECTIVE DATE AND THAT ARISE FROM A TERMINATION OF EMPLOYMENT OR A TERMINATION OF ANY EMPLOYEE OR RETIREE BENEFIT PROGRAM, REGARDLESS OF WHETHER SUCH TERMINATION OCCURRED BEFORE OR AFTER THE EFFECTIVE DATE, ANY CONTINGENT OR NON-CONTINGENT LIABILITY ON ACCOUNT OF REPRESENTATIONS OR WARRANTIES ISSUED ON OR BEFORE THE EFFECTIVE DATE, AND ALL DEBTS OF THE KIND SPECIFIED IN BANKRUPTCY CODE §§ 502(G), 502(H), OR 502(I), IN EACH CASE WHETHER OR NOT: (A) A PROOF OF CLAIM OR INTEREST BASED UPON SUCH DEBT, RIGHT, CLAIM, OR INTEREST IS FILED OR DEEMED FILED PURSUANT TO BANKRUPTCY CODE § 501; (B) A CLAIM OR INTEREST BASED UPON SUCH CLAIM, DEBT, RIGHT, OR INTEREST IS ALLOWED PURSUANT TO BANKRUPTCY CODE § 502; OR (C) THE HOLDER OF SUCH A CLAIM OR INTEREST HAS REJECTED THE PLAN. SUBJECT TO THE TERMS OF THE PLAN AND/OR THE CONFIRMATION ORDER, ANY DEFAULT BY

THE DEBTORS OR THEIR AFFILIATES WITH RESPECT TO ANY CLAIM OR INTEREST THAT EXISTED IMMEDIATELY BEFORE OR ON ACCOUNT OF THE FILING OF THESE CHAPTER 11 CASES SHALL BE DEEMED SATISFIED ON THE EFFECTIVE DATE. SUBJECT TO THE TERMS OF THE PLAN, THE CONFIRMATION ORDER SHALL BE A JUDICIAL DETERMINATION OF THE DISCHARGE OF ALL CLAIMS AND INTERESTS SUBJECT TO THE EFFECTIVE DATE OCCURRING. SUBJECT TO THE TERMS OF THE PLAN, THE CONFIRMATION ORDER SHALL BE A JUDICIAL DETERMINATION OF DISCHARGE OF ALL LIABILITIES OF THE DEBTORS, THEIR ESTATES, THE REORGANIZED DEBTORS AND ALL SUCCESSORS THERETO. AS PROVIDED IN BANKRUPTCY CODE § 524, SUBJECT TO THE TERMS OF THE PLAN AND/OR THE CONFIRMATION ORDER SUCH DISCHARGE SHALL VOID ANY JUDGMENT AGAINST THE DEBTORS, THEIR ESTATES, THE REORGANIZED DEBTORS OR ANY SUCCESSORS THERETO AT ANY TIME OBTAINED TO THE EXTENT IT RELATES TO A CLAIM OR INTEREST DISCHARGED, AND OPERATES AS AN INJUNCTION AGAINST THE PROSECUTION OF ANY ACTION AGAINST THE REORGANIZED DEBTORS OR THEIR PROPERTY AND ASSETS TO THE EXTENT IT RELATES TO A DISCHARGED CLAIM OR INTEREST.

~~Section 13.04~~Section 14.04 Releases

1. **Releases by the Debtors, their Estates and the Reorganized Debtors. PURSUANT TO SECTION 1123(B) OF THE BANKRUPTCY CODE, AND EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THE PLAN OR THE CONFIRMATION ORDER, FOR GOOD AND VALUABLE CONSIDERATION, INCLUDING THE SERVICE OF THE PARTIES RELEASED HEREIN TO FACILITATE THE EXPEDITIOUS REORGANIZATION OF THE DEBTORS AND THE IMPLEMENTATION OF THE RESTRUCTURING CONTEMPLATED BY THE PLAN, ON AND AFTER THE EFFECTIVE DATE, ALL RELEASED PERSONS ARE DEEMED RELEASED AND DISCHARGED BY THE DEBTORS AND THEIR ESTATES AND THE REORGANIZED DEBTORS, FROM ANY AND ALL CLAIMS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR ASSERTABLE ON BEHALF OF THE DEBTORS OR THE REORGANIZED DEBTORS, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREINAFTER ARISING, IN LAW, EQUITY OR OTHERWISE, THAT THE DEBTORS, THEIR ESTATES, THE REORGANIZED DEBTORS, OR THEIR RESPECTIVE AFFILIATES WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT IN THEIR OWN RIGHT (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM OR INTEREST OR OTHER ENTITY, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE REORGANIZED DEBTORS, THESE CHAPTER 11 CASES, THE DEBTORS' RESTRUCTURING, THE DIP FACILITY, THE RSA AND RELATED AGREEMENTS, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE**

TO, ANY CLAIM OR INTEREST THAT IS TREATED IN THE PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE DEBTORS AND ANY RELEASED PERSONS, THE RESTRUCTURING OF CLAIMS AND INTERESTS BEFORE OR DURING THESE CHAPTER 11 CASES, THE NEGOTIATION, FORMULATION OR PREPARATION OF THE PLAN AND DISCLOSURE STATEMENT, OR RELATED AGREEMENTS, INSTRUMENTS OR OTHER DOCUMENTS, UPON ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE CONFIRMATION DATE, OTHER THAN CLAIMS OR LIABILITIES ARISING OUT OF OR RELATING TO ANY ACT OR OMISSION OF A RELEASED PERSON OR A FORMER OFFICER OR DIRECTOR OF THE DEBTORS THAT CONSTITUTES WILLFUL MISCONDUCT (INCLUDING FRAUD) OR GROSS NEGLIGENCE. THE FOREGOING RELEASE SHALL NOT APPLY TO ANY EXPRESS CONTRACTUAL OR FINANCIAL OBLIGATIONS OR ANY RIGHT OR OBLIGATIONS ARISING UNDER OR THAT IS PART OF THE PLAN OR ANY AGREEMENTS ENTERED INTO PURSUANT TO, IN CONNECTION WITH, OR CONTEMPLATED BY THE PLAN.

2. **Releases by Holders of Claims and Interests and Other Released Persons. EXCEPT AS OTHERWISE PROVIDED IN THE PLAN OR CONFIRMATION ORDER, AS OF THE EFFECTIVE DATE, EACH HOLDER OF A CLAIM OR AN INTEREST THAT EITHER VOTED IN FAVOR OF THE PLAN OR HAS NOT OPTED OUT OF THE RELEASES AS PROVIDED ON THE BALLOT, WHETHER SUCH HOLDER OF A CLAIM OR INTEREST VOTES TO REJECT THE PLAN, AND EACH RELEASED PERSON SHALL BE DEEMED TO HAVE CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND FOREVER, RELEASED AND DISCHARGED THE DEBTORS, THE REORGANIZED DEBTORS, AND THE RELEASED PERSONS FROM ANY AND ALL CLAIMS, INTERESTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED ON BEHALF OF THE DEBTORS, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY OR OTHERWISE, THAT SUCH ENTITY WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT (WHETHER INDIVIDUALLY OR COLLECTIVELY), BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THESE CHAPTER 11 CASES, THE DEBTORS' RESTRUCTURING, THE DIP FACILITY, THE RSA AND RELATED AGREEMENTS, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR INTEREST THAT IS TREATED IN THE PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE DEBTORS AND ANY RELEASED PERSONS, THE RESTRUCTURING OF CLAIMS AND INTERESTS BEFORE OR DURING THESE CHAPTER 11 CASES, THE NEGOTIATION, FORMULATION OR PREPARATION OF THE PLAN, THE DISCLOSURE STATEMENT, THE PLAN SUPPLEMENT OR RELATED AGREEMENTS, INSTRUMENTS OR OTHER DOCUMENTS, UPON ANY OTHER ACT OR**

OMISSION, TRANSACTION, AGREEMENT, EVENT OR OTHER OCCURRENCE RELATING TO THE DEBTORS TAKING PLACE ON OR BEFORE THE CONFIRMATION DATE, OTHER THAN CLAIMS OR LIABILITIES ARISING OUT OF OR RELATING TO ANY ACT OR OMISSION OF A RELEASED PERSON THAT CONSTITUTES WILLFUL MISCONDUCT (INCLUDING FRAUD) OR GROSS NEGLIGENCE. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE RELEASE SET FORTH ABOVE DOES NOT RELEASE ANY POST-EFFECTIVE DATE OBLIGATIONS OF ANY PARTY UNDER THE PLAN OR ANY DOCUMENT, INSTRUMENT OR AGREEMENT (INCLUDING THOSE SET FORTH IN THE PLAN SUPPLEMENT) EXECUTED TO IMPLEMENT THE PLAN.

3. **Injunction Related to Releases. EXCEPT AS PROVIDED IN THE PLAN AND/OR THE CONFIRMATION ORDER, AS OF THE EFFECTIVE DATE, (I) ALL PERSONS THAT HOLD, HAVE HELD, OR MAY HOLD A CLAIM OR ANY OTHER OBLIGATION, SUIT, JUDGMENT, DAMAGES, DEBT, RIGHT, REMEDY, CAUSE OF ACTION OR LIABILITY OF ANY NATURE WHATSOEVER, OR ANY INTEREST OR OTHER RIGHT OF A HOLDER OF AN EQUITY SECURITY OR OTHER OWNERSHIP INTEREST, RELATING TO THE DEBTORS OR THE REORGANIZED DEBTORS OR ANY OF THEIR RESPECTIVE ASSETS, PROPERTY AND ESTATES, THAT IS RELEASED PURSUANT THE PLAN, (II) ALL OTHER PARTIES IN INTEREST, AND (III) EACH OF THE RELATED PERSONS OF EACH OF THE FOREGOING ENTITIES, ARE, AND SHALL BE, PERMANENTLY, FOREVER AND COMPLETELY STAYED, RESTRAINED, PROHIBITED, BARRED AND ENJOINED FROM TAKING ANY OF THE FOLLOWING ACTIONS, WHETHER DIRECTLY OR INDIRECTLY, DERIVATIVELY OR OTHERWISE, ON ACCOUNT OF OR BASED ON THE SUBJECT MATTER OF SUCH DISCHARGED CLAIMS OR OTHER OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEBTS, RIGHTS, REMEDIES, CAUSES OF ACTION OR LIABILITIES, AND OF ALL INTERESTS OR OTHER RIGHTS OF A HOLDER OF AN EQUITY SECURITY OR OTHER OWNERSHIP INTEREST: (I) COMMENCING, CONDUCTING OR CONTINUING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY SUIT, ACTION OR OTHER PROCEEDING (INCLUDING, WITHOUT LIMITATION, ANY JUDICIAL, ARBITRAL, ADMINISTRATIVE OR OTHER PROCEEDING) IN ANY FORUM; (II) ENFORCING, ATTACHING (INCLUDING, WITHOUT LIMITATION, ANY PREJUDGMENT ATTACHMENT), COLLECTING, OR IN ANY WAY SEEKING TO RECOVER ANY JUDGMENT, AWARD, DECREE, OR OTHER ORDER; (III) CREATING, PERFECTING OR IN ANY WAY ENFORCING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY LIEN; (IV) SETTING OFF, SEEKING REIMBURSEMENT OR CONTRIBUTIONS FROM, OR SUBROGATION AGAINST, OR OTHERWISE RECOUPING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY AMOUNT AGAINST ANY LIABILITY OR OBLIGATION OWED TO ANY PERSON DISCHARGED UNDER THE PLAN; AND (V) COMMENCING OR CONTINUING IN ANY MANNER, IN ANY PLACE OF ANY JUDICIAL, ARBITRATION OR ADMINISTRATIVE PROCEEDING IN ANY FORUM, THAT**

DOES NOT COMPLY WITH OR IS INCONSISTENT WITH THE PROVISIONS OF THE PLAN AND/OR THE CONFIRMATION ORDER.

(i) No Waiver. Notwithstanding anything to the contrary contained in the Plan, the releases and injunctions set forth in Section 12.04 of the Plan shall not, and shall not be deemed to, limit, abridge or otherwise affect the rights of the Debtors or the Reorganized Debtors to enforce, sue on, settle or compromise the rights, claims and other matters expressly retained by the Debtors or the Reorganized Debtors pursuant to the Plan and/or the ~~confirmation order~~Confirmation Order.

(ii) Bankruptcy Rule 3016 Compliance. The Debtors' compliance with the formal requirements of Bankruptcy Rule 3016(c) shall not constitute an admission that the Plan provides for an injunction against conduct not otherwise enjoined under the Bankruptcy Code.

(iii) Integral to Plan. Each of the injunctions provided in the Plan is an integral part of the Plan and is essential to its implementation. Each party released under the Plan and any other Persons protected by the injunctions set forth in the Plan shall have the right to independently seek the enforcement of such injunctions.

~~Section 13.05~~Section 14.05 Exculpation

THE RELEASED PERSONS SHALL NOT BE LIABLE FOR ANY CAUSE OF ACTION ARISING IN CONNECTION WITH OR OUT OF THE ADMINISTRATION OF THESE CHAPTER 11 CASES, THE PLANNING OF THESE CHAPTER 11 CASES, THE FORMULATION, NEGOTIATION OR IMPLEMENTATION OF THE PLAN, THE GOOD FAITH SOLICITATION OF ACCEPTANCES OF THE PLAN IN ACCORDANCE WITH BANKRUPTCY CODE § 1125(E), PURSUIT OF CONFIRMATION OF THE PLAN, THE CONSUMMATION OF THE PLAN, OR THE ADMINISTRATION OF THE PLAN, EXCEPT FOR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AS DETERMINED BY A FINAL ORDER OF THE BANKRUPTCY COURT. THE DEBTORS WILL REQUEST THAT ALL HOLDERS OF CLAIMS AND INTERESTS ARE ENJOINED FROM ASSERTING OR PROSECUTING ANY CLAIM OR CAUSE OF ACTION AGAINST ANY RELEASED PERSON FOR WHICH SUCH PERSON HAS BEEN EXCULPATED FROM LIABILITY PURSUANT TO THE PRECEDING SENTENCE.

~~Section 13.06~~Section 14.06 Recoupment

Except as provided in the Plan and/or the ~~confirmation order~~Confirmation Order any holder of a claim or interest shall not be entitled to recoup any claim or interest against any claim, right, or cause of action of the Debtors or the Reorganized Debtors, as applicable, unless such holder actually has performed such recoupment and provided notice thereof in writing to the Debtors on or before the confirmation date, notwithstanding any indication in any ~~Proof~~proof of ~~Claim~~claim or interest or otherwise that such holder asserts, has, or intends to preserve any right of recoupment.

~~Section 13.07~~Section 14.07 Release of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a secured claim, satisfaction of the portion of the secured claim that is Allowed as of the Effective Date as set forth in the Plan, all mortgages, deeds of trust, liens, pledges, or other security interests against any property of the Debtors' estates shall be fully released and discharged, and all of the right, title, and interest of any holder of such mortgages, deeds of trust, liens, pledges, or other security interests shall revert to the Debtors and their successors and assigns.

~~Section 13.08~~Section 14.08 Good Faith

As of the confirmation date, the Debtors shall be deemed to have solicited acceptances or rejections of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code.

~~Section 13.09~~Section 14.09 Protection Against Discriminatory Treatment

As part of the Plan, the Debtors will seek an order of the Bankruptcy Court consistent with § 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, prohibiting entities, including governmental units, from discriminating against the Reorganized Debtors or denying, revoking, suspending or refusing to renew a license, permit, charter, franchise or other similar grant to, conditioning such a grant to, discriminating with respect to such a grant against, the Reorganized Debtors or another entity with whom the Reorganized Debtors have been associated, solely because the Debtors have been debtors under chapter 11, have been insolvent before the commencement of these Chapter 11 Cases (or during these Chapter 11 Cases but before the Debtors are granted or denied a discharge) or have not paid a debt that is dischargeable in these Chapter 11 Cases.

~~Article XIV~~ARTICLE XV
MISCELLANEOUS PROVISIONS

~~Section 14.01~~Section 15.01 Severability of Plan Provisions

If, before confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, at the request of the Debtors, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The ~~confirmation order~~Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

~~Section 14.02~~Section 15.02 Binding Effect

The Plan shall be binding upon and inure to the benefit of the Debtors, all present and former holders of claims against and interests in the Debtors, their respective successors and assigns, including, but not limited to, the Debtors, and all other parties-in-interest in these Chapter 11 Cases.

~~Section 14.03~~Section 15.03 Notices

Any notice, request, or demand required or permitted to be made or provided under the Plan to or upon the Debtors, the Reorganized Debtors, or the RSA Creditor Parties shall be (i) in writing; (ii) served by (a) certified mail, return receipt requested, (b) hand delivery, (c) overnight delivery service, (d) first class mail, or (e) facsimile transmission; and (iii) deemed to have been duly given or made when actually delivered or, in the case of facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to the Debtors or Reorganized Debtors, as applicable:

Energy & Exploration Partners
420 Throckmorton St., Suite 1200
Fort Worth, Texas 76102
Attn: Van Oliver
Facsimile: (817) 332-5001

With a copy to (which shall not constitute notice):

BRACEWELL LLP
1251 Avenue of the Americas
New York, New York 10020
Attn: Jennifer Feldsher
Facsimile: (212) 508-6101

-and-

BRACEWELL LLP
711 Louisiana, Suite 2300
Houston, TX 77002
Attn: William A. (Trey) Wood III
Facsimile: (713) 221-1212

If to the Consenting Secured Lenders:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
Attn: Matthew S. Barr and Charles M. Persons
Facsimile: (212) 310-8007

If to the Consenting Noteholders:

Akin Gump Strauss Hauer & Feld LLP
Bank of America Tower
One Bryant Park
New York, NY 10036
Attn: Ira Dizengoff
Facsimile: (212) 872-1002

-and-

Akin Gump Strauss Hauer & Feld LLP
Robert S. Strauss Building
1333 New Hampshire Avenue, N.W.
Washington, DC 20036
Attn: Scott Alberino
Facsimile: (202) 887-4288

If to the Creditors Committee

Arent Fox LLP
1675 Broadway
New York, NY 10019
Attn: Robert M. Hirsh and George P. Angelich
Facsimile: (212) 484-3990

~~Section 14.04~~Section 15.04 Term of Injunctions or Stay

Unless otherwise provided in the Plan and/or ~~confirmation order~~Confirmation Order, all injunctions or stays provided for in these Chapter 11 Cases under Bankruptcy Code §§ 105 or 362 or otherwise, and in existence on the confirmation date (excluding any injunctions or stays contained in the Plan or ~~confirmation order~~Confirmation Order and in any order of the Bankruptcy Court concerning preservation of any net operating losses), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan and/or ~~confirmation order~~Confirmation Order shall remain in full force and effect in accordance with their terms.

~~Section 14.05~~Section 15.05 No Admissions

Notwithstanding anything herein to the contrary, nothing in the Plan shall be deemed as an admission by the Debtors with respect to any matter set forth herein, including liability on any claim.

~~Article XV~~ARTICLE XVI
CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

~~Section 15.01~~Section 16.01 Certain Material U.S. Federal Income Tax Consequences of the Plan

The following discussion summarizes certain material U.S. federal income tax consequences of the implementation of the Plan to the Debtors and to certain holders of ~~allowed claims.~~Allowed Claims. This summary does not address the U.S. federal income tax consequences to (i) holders of claims who are deemed to have rejected a Plan in accordance with the provisions of section 1126(g) of the Bankruptcy Code, (ii) holders whose claims are entitled to payment in full in cash or are otherwise unimpaired under the Plan (i.e., Holders of Allowed Administrative Expense Claims, ~~allowed~~Allowed Priority Tax Claims, ~~allowed~~Allowed Other Priority Claims, Other Secured Claims), or (iii) holders whose claims are extinguished without distribution in exchange therefore. This discussion does not purport to be a complete analysis or listing of all potential tax considerations.

This summary is based on the ~~Internal Revenue Code of 1986, as amended (the "~~IRC~~"),~~, existing and proposed Treasury ~~regulations~~Regulations promulgated thereunder ~~("**Treasury Regulations**"),~~, judicial decisions, and published administrative rules and pronouncements of the ~~Internal Revenue Service ("~~IRS~~")~~ as in effect on the date hereof, all of which are subject to change, possibly on a retroactive basis. Any such change could significantly affect the U.S. federal income tax consequences described below.

The U.S. federal income tax consequences of the Plan are complex and due to a lack of definitive judicial or administrative authority or interpretation, are subject to significant uncertainties. The Debtors have not requested a ruling from the IRS, or an opinion of counsel, with respect to any of the tax aspects of the Plan. The discussion below is not binding on the IRS. Thus, no assurance can be given that the IRS would not assert, or that a court would not sustain, a different position from any discussed herein. In addition, this summary does not address any estate or gift tax consequences of the Plan or the consequences of the Plan under any state, local or foreign income or other tax laws, nor does it purport to address the U.S. federal income tax consequences of the Plan (including the ownership and disposition of any consideration received pursuant to the Plan) to special classes of taxpayers (such as persons who are related to the Debtors within the meaning of the IRC, ~~foreign taxpayers~~non-U.S. holders, broker-dealers, banks, mutual funds, insurance companies, financial institutions, thrifts, small business investment companies, regulated investment companies, tax-exempt organizations, holders of claims who are themselves in bankruptcy, U.S. persons whose functional currency is not the U.S. dollar, dealers in securities or foreign currency, traders that mark-to-market their securities, certain expatriates or former long-term residents of the United States, persons subject

to the alternative minimum tax, and persons holding claims that are part of a straddle, hedging, constructive sale or conversion transaction, or (ii) holders that are pass-through entities or investors in pass-through entities).

As indicated, the following discussion generally does not address the U.S. federal income tax consequences to non-U.S. holders. For purposes of this discussion, the term "**non-U.S. holder**" means a holder of a claim that is for U.S. federal income tax purposes an individual or entity that is neither a pass-through entity, nor (i) an individual citizen or resident of the United States, (ii) a corporation, or entity treated as a corporation, organized in or under the laws of the United States or any state thereof or the District of Columbia, (iii) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) such trust has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes or (iv) an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source.

The U.S. federal income tax consequences to a member in an entity or arrangement treated as a pass-through entity for U.S. federal income tax purposes that holds an Allowed Claim generally will depend on the status of the member and the activities of the pass-through entity. A member in a pass-through entity holding an Allowed Claim should consult its own tax advisors about the U.S. federal income tax consequences applicable to it under the Plan (including the ownership and disposition of any consideration received pursuant to the Plan).

This discussion (i) assumes, except as noted below, that the claims are held as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the IRC, and that the various debt and other arrangements to which the Debtors are parties will be respected for U.S. federal income tax purposes in accordance with their form, and (ii) does not apply to persons who acquire Exit Facility, New Term Loans, New Common StockInterests, Noteholder Warrants or LiquidatingCreditor Trust Interests from the original holder.

ThisUnless otherwise indicated, this discussion also assumes that holders of claims hold only claims in a single class. Holders of multiple classes of claims should consult their own tax advisors as to the effect such ownership may have on the U.S. federal income tax consequences described below.

THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE PARTICULAR CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. EACH HOLDER OF A CLAIM IS URGED TO CONSULT ITS OWN TAX ADVISOR FOR U.S. FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES APPLICABLE TO IT UNDER THE PLAN.

~~Section 15.02~~Section 16.02 Consequences to the Debtors

For U.S. federal income tax purposes, the Debtors are members of an affiliated group of corporations (or disregarded entities wholly owned by members of such group) of which ENXP is the common parent, which files a single consolidated U.S. federal income tax return (the "**ENXP Group**"). The Debtors estimate that the ENXP Group has net operating loss ("**NOL**") carryforwards of approximately $370 million for U.S. federal income tax purposes as of December 31, 2015, and that the aggregate tax bases of the Debtors' operating assets significantly exceed the aggregate fair market value of such assets. The amount of any such NOL carryforwards and other tax attributes, and the extent to which any limitations apply, remain subject to audit and adjustment by the IRS. In addition, as discussed below, the amount of the Debtors' NOLs and possibly certain other Tax ~~Attribute~~Attributes, may be eliminated or significantly reduced upon implementation of the Plan.

1. ***Deconsolidation of the Debtors***

The implementation of the Plan will result in the deconsolidation of ENXP LLC (which for U.S. federal income tax purposes is taxable as a corporation) from the ENXP Group, as a result of the cancellation of ENXP's equity interests ~~in ENXP~~ and the dissolution of ENXP pursuant to the Plan. The Debtors do not expect the deconsolidation to have material adverse tax consequences to the Reorganized Debtors. Pursuant to ~~section~~Section 5.27 of the Plan, Reorganized ENXP LLC is appointed pursuant to section 1123(b)(3)(B) of the Bankruptcy Code to handle all of the ENXP's tax matters, including without limitation, the filing of all tax returns, and the handling of tax audits and proceedings, of the ENXP Group, and may act in its own self-interest and in the interest of its subsidiaries and affiliates, without regard to any adverse consequences to ENXP.

2. ***Cancellation of Indebtedness and Attribute Reduction***

It is anticipated that the Plan will result in a cancellation of a portion of the Debtors' outstanding indebtedness. In general, the discharge of a debt obligation in exchange for an amount of cash and other property having a fair market value less than the "adjusted issue price" of that debt that is discharged gives rise to cancellation of indebtedness income ("**COD Income**"). Under the IRC, a taxpayer generally must recognize COD Income to the extent that its indebtedness is discharged during the taxable year. Section 108(a)(1) of the IRC provides an exception to this rule, however, where a taxpayer is in bankruptcy and where the discharge is granted, or is effected, pursuant to a plan approved by the bankruptcy court with respect to a non-intercompany indebtedness or where the taxpayer is otherwise sufficiently insolvent. In such a case, instead of recognizing COD Income, the taxpayer is generally required, under Section 108(b) of the IRC, to reduce certain of its tax attributes by the amount of COD Income that is excluded from gross income, after the determination of the U.S. federal income taxes of the taxpayer for the taxable year in which the discharge occurs. The attributes of the taxpayer generally are reduced in the following order: NOLs, general business and minimum tax credit carryforwards, capital loss carryforwards, the basis of the taxpayer's assets, and finally, foreign tax credit carryforwards~~ (collectively, "**Tax Attributes**").~~. Where the debtor joins in the filing of a consolidated U.S. federal income tax return, applicable Treasury Regulations require, in certain

circumstances, that the tax attributes of the other members of the group must also be reduced. Section 108(b)(5) of the IRC permits a taxpayer to elect to first apply the reduction to the basis of the taxpayer's depreciable assets, with any remaining balance applied to the taxpayer's other Tax Attributestax attributes in the order stated above.

The Debtors generally will not recognize COD Income from the cancellation of indebtedness with respect to non-intercompany indebtedness pursuant to the Plan; however, certain Tax Attributes of the Debtors will be reduced or eliminated. Because the Debtors' outstanding indebtedness will be satisfied in significant part in exchange for stock, new debt and warrants under the Plan, the amount of COD Income, and accordingly, the amount of Tax Attributes required to be reduced, will depend on the fair market value of such consideration. These values cannot be known with certainty until after the Effective Date. Thus, although the Debtors will be required to reduce their Tax Attributes, the exact amount of such reductions will not be known until after the Effective Date. However, the Debtors currently anticipate the Debtors' NOL carryforwards will be significantly reduced or eliminated as a result of attendant attribute reduction.

3. ***Net Operating Loss Limitations***

Following the Effective Date and after applying the cancellation of debt rules discussed above, any remaining NOL carryforwards and other Tax Attributes allocable to periods prior to the Effective Date including certain built-in losses (collectively, "**Pre-Change Losses**") will be subject to limitation under Section 382 of the IRC. Section 382 generally limits the amount of Pre-Change Losses a corporate taxpayer can utilize in the years following an "ownership change" (the "**Annual Section 382 Limitation**"). Section 382 of the IRC also may limit the Debtors' ability to use "net unrealized built-in losses" (*i.e.,* certain losses and deductions that have economically accrued prior to, but remain unrecognized as of, the Effective Date) to offset future income.

An "ownership change" generally occurs when the percentage of the corporation's stock owned by certain 5% shareholders increases by more than 50 percentage points over the lowest percentage owned at any time during the applicable testing period (generally, the shorter of: (i) the three-year period preceding the testing date or (ii) the period of time since the most recent ownership change of the corporation). A 5% shareholder for these purposes includes, generally, an individual or entity that directly or indirectly owns 5% or more of a corporation's stock during the relevant period, and may in certain situations include one or more groups of shareholders that, in the aggregate, own less than 5% of the value of the corporation's stock. The Debtors will undergo an ownership change on the Effective Date.

(i) Annual Section 382 Limitation

As a general rule, a loss corporation's Annual Section 382 Limitation equals the product of the value of the stock of the corporation (with certain adjustments) immediately *before* the ownership change and the applicable "long-term tax-exempt rate," a rate published monthly by the Treasury Department. However, under Section 382(l)(6),) of the IRC, the Annual Section 382 Limitation with respect to an ownership change occurring pursuant to a loss corporation's

chapter 11 plan is calculated by reference to the lesser of the value of the corporation's stock (with certain adjustments) immediately *after* the ownership change or the value of the corporation's pre-change gross assets. Although such calculation may substantially increase the Annual Section 382 Limitation, the use of any Pre-Change Losses remaining after implementation of the Plan may still be substantially limited. Any unused portion of the Annual Section 382 Limitation generally is available for use in subsequent years, thus increasing the Annual Section 382 Limitation for such years. The Annual Section 382 Limitation is also increased if the loss corporation has net unrealized built-in gains, *i.e.,* certain gains economically accrued but unrecognized at the time of the ownership change, in excess of a threshold amount.

As explained above, the Debtors expect that their NOLs would be significantly reduced and possibly eliminated as a result of the implementation of the Plan. However, even if the Reorganized ENXP LLC is left with no NOLs from the pre-emergence period, the limitations under Section 382 of the IRC may significantly impact their ability to use depreciation and amortization deductions if, as expected, ENXP LLC has a net unrealized built-in loss as determined immediately prior to the Effective Date.

Notwithstanding the foregoing, a loss corporation's Annual Section 382 Limitation would be zero if the loss corporation does not continue its historic business or use a significant portion of its assets in a new business for two years after the ownership change. The Debtors intend to meet the ~~COBE Requirement~~continuity of business requirement for U.S. federal income tax purposes after the ownership change.

(ii) Special Bankruptcy Exception

Section 382(1)(5) of the IRC provides an exception to the application of the Annual Section 382 Limitation when a corporation is under the jurisdiction of a court in a chapter 11 case (the "**382(1)(5) Exception**"). The 382(1)(5) Exception provides that where an ownership change occurs pursuant to a bankruptcy reorganization or similar proceeding, the Annual Section 382 Limitation will not apply if the pre-change shareholders or "qualified creditors" own at least 50 percent of the voting power and equity value of the reorganized corporation after the ownership change. Qualified creditors are, in general, creditors who (i) have held their claims continuously since at least eighteen (18) months before the filing of the bankruptcy petition or (ii) hold claims incurred in the ordinary course of the debtor's business and have held those claims continuously since they were incurred. If the 382(l)(5) Exception applies, the taxpayer's ability to use its Pre-Change Losses would not be subject to the Annual Section 382 Limitation, unless the taxpayer affirmatively elects for the 382(l)(5) Exception not to apply. However, several other limitations would apply under the 382(1)(5) Exception, including (a) a corporation's Pre-Change Losses that may be carried over to a post-change year must be reduced to the extent attributable to any interest paid or accrued on debt converted to stock in the reorganization during the three taxable years preceding the Effective Date and during the part of the taxable year prior to and including the Effective Date, and (b) if the taxpayer undergoes another ownership change within two years after the Effective Date, the taxpayer's Annual Section 382 Limitation following that ownership change will be zero.

Whether Reorganized ENXP LLC qualifies for the 382(l)(5) Exception is highly fact specific. While uncertain, the Debtors expect that Reorganized ENXP LLC will not be eligible for the 382(l)(5) Exception. If Reorganized ENXP LLC does not qualify for the 382(1)(5) Exception or elects out of the 382(l)(5) Exception, Reorganized ENXP LLC's use of any remaining NOLs and any subsequently recognized net unrealized built-in loss will be subject to the Annual Section 382 Limitation described above.

4. ***Alternative Minimum Tax Liability***

In general, a federal alternative minimum tax ("**AMT**") is imposed on a corporation's alternative minimum taxable income ("**AMTI**") at a 20% rate to the extent that such tax exceeds the corporation's regular U.S. federal income tax for the year. AMTI is generally equal to regular taxable income with certain adjustments. For purposes of computing AMTI, certain tax deductions and other beneficial allowances are modified or eliminated. In particular, even though a corporation might otherwise be able to offset all of its taxable income for regular U.S. federal income tax purposes by available NOL carryforwards, a corporation is generally entitled to offset no more than 90% of its AMTI with NOL carryforwards (as recomputed for AMT purposes). Accordingly, usage of the Debtors' NOLs by Reorganized Debtors may be subject to limitations for AMT purposes in addition to any other limitations that may apply.

In addition, if a corporation (or a consolidated group) undergoes an ownership change and is in a net unrealized built-in loss position on the date of the ownership change, the corporation's (or group's) aggregate tax basis in its assets may be reduced for certain AMT purposes to reflect the fair market value of such assets as of the change date. Accordingly, if as expected Reorganized ENXP LLC is in a net unrealized built-in loss position on the Effective Date, for certain AMT purposes the tax benefits attributable to tax basis in assets may be reduced.

Any AMT that a corporation pays generally will be allowed as a nonrefundable credit against its regular U.S. federal income tax liability in future taxable years when the corporation is no longer subject to the AMT.

~~Section 15.03~~Section 16.03 Consequences to the Holders of Certain Claims

1. ***Consequences to Holders of Allowed Prepetition Secured Claim Claims and Allowed Deficiency Claims***

~~Gain or Loss – Generally~~

Pursuant to the Plan, and in complete and final satisfaction of their Claims, each holder of Allowed Prepetition Secured Claims (Class 3) together with their Allowed Deficiency Claims (included as part of Class 5), will receive a share of the New Term Loan ~~and~~, New Common ~~Shares~~Interests, Rights, and Class B Interests in the Creditor Trust. For the remainder of the tax discussion herein all references to a holder's Prepetition Secured Claims is inclusive of a holder's Allowed Deficiency Claims.

As discussed below (see 4.—"Treatment of the Creditor Trust and its Beneficiaries"), the Creditor Trust will be structured to qualify as a "grantor trust" for U.S. federal income tax purposes. Accordingly, each holder of an Allowed Deficiency Claim receiving Class B Interests in the Creditor Trust will be treated for U.S. federal income tax purposes as directly receiving, and as a direct owner of, its respective share of the Assigned Estate Claims allocable to its Class B Interests in the Creditor Trust.

(i) Gain or Loss – Generally

The U.S. federal income tax consequences of the Plan to a holder of a Prepetition Secured Claim will depend, in part, on whether such Claim constitutes a "security" of ENXP LLC for U.S. federal income tax purposes and whether the Exit Facility and/or New Term Loan constitutes a "security" of Reorganized ENXP LLC for U.S. federal income tax purposes. If, a Prepetition Secured Claim does not constitute a "security" of ENXP LLC, then athe holder's receipt of the New Common SharesInterests and the New Term Loanother consideration in exchange therefor willsatisfaction of its Claim would be treated as a fully taxable transaction, with the consequences described below in "Fully Taxable Exchange." If, on the other hand, a Prepetition Secured Claim is a "security" of ENXP LLC, then the holder's receipt of New Common SharesInterests and the remaining consideration should be treated as part of a "reorganization" for U.S. federal income tax purposes, with the consequences described below in "Reorganization Treatment." The status of the Exit Facility and the New Term Loan as a "security" does not impact this initial determination.

The term "security" is not defined in the IRC or in the Treasury Regulations issuedpromulgated thereunder and has not been clearly defined by judicial decisions. The determination of whether a particular debt obligation constitutes a "security" depends on an overall evaluation of the nature of the debt, including whether the holder of such debt obligation is subject to a material level of entrepreneurial risk and whether a continuing proprietary interest is intended or not. One of the most significant factors considered in determining whether a particular debt obligation is a "security" is its original term. In general, debt obligations issued with a weighted average maturity at issuance of less than five (5) years do not constitute securities, whereas debt obligations with a weighted average maturity at issuance of ten (10) years or more do constitute securities. Additionally, the IRS has ruled that new debt obligations with a term of less than five (5) years issued in exchange for, and bearing substantially the same terms (e.g., other than interest rate), as outstanding securities should also be classified as securities for this purpose, since the new debt represents a continuation of the holder's investment in the corporation in substantially the same form. The debt underlying the Prepetition Secured Claims had an original maturity of approximately four and a half (4-1/2) years. The terms governing the New Term Loan are still subject to determination in accordance with the Plan.Although certain of the terms governing the New Term Loan and Exit Facility are still subject to determination in accordance with the Plan, the New Term Loan will have a maturity of six (6) years and the Exit Facility will have a maturity of five and a half (5-1/2) years. Also, although a right to acquire stock (e.g., a warrant) is treated as a "security", it is uncertain whether the Rights (i.e., the right to acquire New Common Interests and Exit Facility as a single investment unit) or a portion thereof would be considered a "security" if only the

stock portion of the investment unit supported "security" status. See also "Treatment of Rights" below. Holders of Claims are urged to consult their own tax advisors regarding the appropriate status for U.S. federal income tax purposes of their Claims and the ~~New Term Loan~~consideration to be received.

a. Fully Taxable Exchange.

In general, if the ~~exchange~~satisfaction of ~~a~~an Allowed Prepetition Secured Claim pursuant to the Plan is a fully taxable exchange, the ~~exchanging~~ holder will recognize gain or loss in an amount equal to the difference, if any, between (i) the ~~aggregate fair market value of New Common Shares and the~~ "issue price" of such holder's share of the New Term Loan (as discussed below, under "Ownership of Exit Facility and New Term Loan") and the aggregate fair market value of New Common Interests and other consideration (i.e., the interest in the Assigned Estate Claims allocable to its Class B Interests in the Creditor Trust and possibly the Rights, see "Treatment of Rights" below) received ~~in respect of its Claim on the Effective Date~~ (other than any exchange consideration received in respect of a Claim for accrued but unpaid interest and possibly accrued original issue discount ("OID")) and (ii) the holder's adjusted tax basis in the Prepetition Secured ~~Claims~~Claim exchanged (other than any tax basis attributable to accrued but unpaid interest and possibly accrued OID). See ~~4.~~ "5.—"Character of Gain or Loss" below. In addition, a holder of a Claim will have interest income to the extent of any exchange consideration allocable to accrued but unpaid interest not previously included in income. See ~~5~~ "6.—"Distributions in Respect of Accrued but Unpaid Interest or OID" below. Each holder is urged to consult its own tax advisor regarding the possible application of (or ability to elect out of) the "installment method" of reporting any gain.

In the case of a taxable exchange, a holder's tax basis in the New Common ~~Shares and~~Interests, the New Term Loan and the other consideration received should equal the ~~fair market value of such stock and the issue price of such loan, respectively, on~~amount taken into account in determining the ~~Effective Date.~~holder's gain or loss. The holder's holding period in the ~~stock and~~ New Common Interests, the New Term Loan and the other consideration received should begin on the day following the Effective Date.

In the event of a subsequent disallowance of a Disputed General Unsecured Claim, it is possible that a holder of a previously Allowed Claim may be taxed as such Disputed Claims are resolved and the holder potentially becomes entitled to an increased share of the assets held in the Creditor Trust. The imputed interest provisions of the IRC may apply to treat a portion of such increased share as imputed interest. In addition, it is possible that any loss realized by a holder in satisfaction of its Allowed Prepetition Secured Claim may be deferred until all Disputed General Unsecured Claims are determined.

After the Effective Date, a holder's share of any collections received on the assets of the Creditor Trust (other than as a result of the subsequent disallowance of Disputed General Unsecured Claims) should not be included, for U.S. federal income tax purposes, in the holder's amount realized in respect of its Claim but should be separately treated as amounts realized in respect of such holder's ownership interest in the underlying assets of the Creditor Trust. See 4.—"Treatment of the Creditor Trust and its Beneficiaries" below.

b. Reorganization Treatment.

If a Prepetition Secured Claim constitutes a "security" of ENXP LLC for U.S. federal income tax purposes, the receipt of New Common SharesInterests in exchange therefor will qualify for tax "reorganization" exchange treatment. The classification as a reorganization exchange generally serves to defer the recognition of any gain or loss by the holder. Notwithstanding the foregoing, a holder of an Allowed Prepetition Secured ClaimsClaim generally would still have to recognize any gain (see discussionas computed in the preceding section) to the extent of the issue price of its share of the New Term Loan received if the New Term Loanamount of any other consideration that does not constitute a "security." for this purpose. In addition, a holder of a Prepetition Secured Claim will have interest income to the extent of any exchange consideration allocable to accrued but unpaid interest not previously included in income. See 5.—".—"Distributions in Respect of Accrued but Unpaid Interest or OID" below.

In a reorganization exchange, a holder's aggregate tax basis in the New Common SharesInterests and (if the New Term Loanany other consideration that constitutes a "security) its share of the New Term Loan" for this purpose will equal such holder's aggregate adjusted tax basis in the Prepetition Secured Claims exchanged therefor, increased by any gain or interest income recognized in the exchange, and decreased by any deductions claimed in respect of any previously accrued but unpaid interest and, if the New Term Loanamount of any consideration that does not constitute a "security, the issue price of its share of the New Term Loan.." Such aggregate tax basis presumably should be allocated among the New Common Sharesstock and (if the New Term Loan constitutes a security) its share of the New Term Loan securities received in accordance with their relative fair market values. In a reorganization exchange, a , and the holder's holding period in the New Common Stock and (if the New Term Loan constitutes a security) its share of the New Term Loan received such stock and securities will include its holding period in the a Prepetition Secured ClaimsClaim exchanged therefor, except to the extent of any exchange consideration received in respect of accrued but unpaid interest.

If the New Term Loan A holder's tax basis in any consideration that does not constitute a "security, a holder's tax basis in the New Term Loan received " should equal the issue price of such loan on the date of the exchangeamount taken into account in determining gain or loss in the preceding section, and the holder's holding period in the New Term Loansuch consideration should begin on the day following the Effective Date.

After the Effective Date, a holder's share of any collections received on the assets of the Creditor Trust (other than as a result of the subsequent disallowance of Disputed General Unsecured Claims) should not be included, for U.S. federal income tax purposes, in determining the holder's amount realized in respect of its Claim but should be separately treated as amounts realized in respect of such holder's ownership interest in the underlying assets of the Creditor Trust. See 4.—"Treatment of the Creditor Trust and its Beneficiaries" below.

(ii) Treatment of Rights

The characterization of the Rights and their subsequent exercise for U.S. federal income tax purposes – as simply the exercise of an option to acquire the underlying Exit Facility and New Common Interests or, alternatively, as an integrated transaction pursuant to which the underlying Exit Facility and New Common Interests are acquired directly in partial satisfaction of a holder's Prepetition Secured Claim – is uncertain.

Regardless of the characterization of the Rights, a holder of Rights generally would not recognize any gain or loss upon the exercise of such Rights (beyond the gain or loss recognized in respect of its Prepetition Secured Claim, as described above).

A Prepetition Secured Claim holder's tax basis and holding period in the Exit Facility and New Common Interests received should begin on the day following the exchange datedepends in part on the treatment of the Rights. If the exercise of the Right is treated as the exercise of an option to acquire the underlying Exit Facility and New Common Interests, then the holder's aggregate tax basis in the Exit Facility and New Common Interests received should equal the sum of (i) the amount paid to exercise the Rights and (ii) the holder's tax basis, if any, in the Rights. Such aggregate amount would then be allocated between the stock and notes in accordance with their relative fair market value.

Alternatively, under an integrated transaction analysis wherein the Exit Facility and New Common Interests are treated as directly acquired in partial satisfaction of the holder's Prepetition Secured Claim (and partially for cash), the holder's tax basis and holding period in the Exit Facility and New Common Interests are determined as discussed above under "Gain or Loss – Generally," treating such Rights Offering Interests as part of the consideration received, instead of the Rights.

It is uncertain whether a holder that does not exercise a Right should be treated as receiving anything of additional value in respect of its Prepetition Secured Claim. If the holder is treated as having received a Right of value (despite its subsequent lapse), such that it obtains a tax basis in the right, the holder generally would recognize a loss to the extent of the holder's tax basis in the Right. In general, such gain or loss would be a capital gain or loss, long-term or short-term, depending upon whether the requisite holding period was satisfied.

(i)(iii) Ownership of Exit Facility and New Term Loan

The terms governing the New Term LoanExit Facility are still subject, in part, to future determination in accordance with the Plan. Accordingly, the following discussion assumes, among other things, that the Exit Facility and New Term Loan will not constitute a "contingent payment debt instrument." Accordingly, theThe following is provided as a general description of an ordinary term loan, which may not be having the principal terms disclosed earlier herein with respect to the Exit Facility and the New Term Loan, as applicable depending on the ultimate terms of the New Term Loan. See Section 1.03(B)—Rights Offering.

In general, a ~~term loan~~debt instrument will be treated as issued with OID to the extent that its "stated redemption price at maturity" exceeds its "issue price" by more than a de minimis amount ~~(equal to 0.25% of the stated redemption price at maturity of the New Term Loan multiplied by the number of complete years to maturity).~~. An instrument's "stated redemption price at maturity" includes all payments required to be made over the term of the instrument other than payments of "qualified stated interest," defined as interest required to be paid in cash at fixed periodic intervals of one year or less. Accordingly, none of the interest with respect to the Exit Facility and New Term Loan would be qualified stated interest. The effect of this is to include such interest within the amount of OID on the instrument, which amount is then amortized and generally includable in the holder's income (as discussed below) over the term of the debt, rather than a holder separately including such interest in income in accordance with the holder's normal method of tax accounting.

Issue Price of Exit Facility. The acquisition of the Exit Facility and New Common Interests in part for cash pursuant to the Rights should be treated as an "investment unit" within the meaning of the OID rules. As a result, the issue price of the Exit Facility should be determined by allocating the holder's issue price in the unit determined as if the unit were a debt instrument, and then allocating such amount between the Exit Facility (presumably only Tranche A, since no amounts will be borrowed under Tranche B in connection with the effectiveness of the Plan, but only as and when needed post-emergence, if at all) and New Common Interests thus acquired based on their relative fair market values.

It is unclear how the issue price of a debt instrument should be determined if it is not issued solely for cash or solely for property. The "issue price" of a debt instrument generally determined as follows: (i) in the case of debt instruments issued solely for cash, equal to the first price at which debt instruments in the issue are sold; or (ii) in the case of a debt instrument (with a principal amount of less than $100 million) issued solely for property, based on the fair market value of such property if the property is traded on an "established market" (as described below in discussing the issue price of the New Term Loan), or if not, equal to the principal amount of the new debt instrument (provided that it bears interest at least equal to the applicable federal rate). It is unclear whether the Exit Facility may be treated as issued partly for property (on the exchange for Prepetition Secured Claims in part for Rights) and partly for cash (on the exercise for such Rights). Neither the IRC nor the Treasury Regulations thereunder regarding OID specifically address how the issue price of a debt instrument should be determined if it is issued for a combination of cash and other property. One possible approach, particularly where the property is traded on an established market, is to aggregate the amount of cash for which the debt instrument is issued and the fair market value of the property for which the debt instrument is issued.

As indicated, following such determination, the resulting issue price should be allocated between the Exit Facility (presumably only Tranche A) and the New Common Interests acquired pursuant to the Rights based on their relative fair market values. The Debtors expect that this will result in a substantial amount of OID, given the substantial amount of shares thus acquired and their estimated value. See 7.02, "Valuation" above.

The Debtors believe that the issue price of any amounts subsequently borrowed under Tranche B generally should be the actual amount borrowed.

Issue Price of New Term Loan. The determination of the "issue price" of the New Term Loan will depend on whether the ~~New Term Loan or, alternatively, the~~ Prepetition Secured Claims are considered traded on an "established market" as determined for U.S. federal income tax purposes. In general, property is treated as traded on an "established market" for these purposes if, at any time during the 31-day period ending 15 days after the issue date (i) there is a sales price for the property that is reasonably available, (ii) there are one or more firm quotes for the property or (iii) there are one or more indicative quotes for the property, each as determined under applicable Treasury Regulations. If the ~~New Term Loan is~~ Prepetition Secured Claims are considered traded on an established market, ~~their issue price will be their fair market value on the date of issue. If the New Term Loan is not but the Prepetition Secured Claims are so considered, then~~ the New Term Loan's issue price will be based on the fair market value of the Prepetition Secured Claims (with appropriate adjustments) allocated to the New Term Loan. If ~~neither is~~the Prepetition Secured Claims are not considered traded on an established market, the issue price of the New Term Loan will be its stated ~~redemption price at maturity.~~ principal amount.

~~If the new term loan obligations are issued with~~ *Amortization and Inclusion in Income of OID*~~, the~~. A holder ~~of a new term loan obligation~~ generally ~~will be required to~~must include OID in gross income as it accrues over the term of the ~~loan in accordance with a~~ Exit Facility or New Term Loan (as applicable) using the "constant yield ~~to maturity~~ method~~, regardless of whether the U.S. holder is a cash or accrual~~" without regard to its regular method ~~taxpayer, and regardless of whether and when the holder receives cash payments of interest on the obligation. Accordingly, a holder could be treated as receiving interest~~of accounting for U.S. federal income tax purposes, and in advance of ~~a corresponding~~ the receipt of cash~~.~~ payments attributable to that income. The amount of OID includible in income for a taxable year by a holder generally will equal the sum of the "daily portions" of the total OID on the debt for each day during the taxable year (or portion thereof) on which such holder held the debt. Generally, the daily portion of the OID is determined by allocating to each day during an accrual period a ratable portion of the OID that is allocable to the accrual period in which such day is included. The amount of OID allocable to each accrual period generally will be an amount equal to the product of the "adjusted issue price" of the respective tranche of the Exit Facility or of the New Term Loan (as applicable) at the beginning of such accrual period and its "yield to maturity." The "adjusted issue price" of the Exit Facility or the New Term Loan at the beginning of any accrual period will equal its issue price, increased by the total OID accrued for each prior accrual period, less any cash payments made on the debt on or before the first day of the accrual period. The "yield to maturity" of the respective debt will be computed on the basis of a constant annual interest rate and compounded at the end of each accrual period.

Any OID that a holder includes in income will increase the holder's tax basis ~~of the holder~~ in the ~~new term loan obligation.~~respective debt. A ~~U.S.~~ holder generally will not be required to include separately in income any cash payments ~~(other than in~~received on the debt (including with respect to the payment of ~~qualified~~any stated interest, since the stated interest~~)~~

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~~received on the new term loan obligation;~~ was included in the determination of the amount of OID); instead, such payments will reduce the holder's tax basis in the ~~new term loan obligation~~debt by the amount of the payment.

The rules regarding the determination of issue price and OID are complex~~; each holder receiving a New Term Loan~~ , and the OID rules described above may not apply in all cases. Accordingly, you should consult ~~its~~your own tax advisor regarding the determination of the issue price of the Exit Facility and New Term Loan and the application of the OID rules ~~to the New Term Loan~~.

~~(ii)~~(iv) Acquisition and Bond Premium

The amount of OID includible in a holder's gross income with respect to the Exit Facility and New Term Loan received (as applicable) will be reduced if the ~~loan~~obligation is acquired (or deemed to be acquired) at an "acquisition premium" or with "bond premium." A holder may have an "acquisition premium" or "bond premium" only if an exchange qualifies as a reorganization exchange and the New Term Loan constitutes a "security" for U.S. federal income tax purposes~~. Otherwise, a holder's initial tax basis~~ or, in the ~~New Term Loan received will equal its issue price~~case of the Exit Facility, such Exit Facility or possibly the Rights constitute a "security" for U.S. federal income tax purposes.

A debt instrument is acquired at an "acquisition premium" if the holder's tax basis in the debt is greater than the adjusted issue price of the debt at the time of the acquisition, but is less than or equal to the stated redemption price at maturity of the debt. If a holder has acquisition premium, the amount of any OID includible in its gross income in any taxable year with respect to ~~its share of the New Term Loan~~such debt generally will be reduced by an allocable portion of the acquisition premium (generally determined by multiplying the annual OID accrual with respect to such ~~New Term Loan~~debt by a fraction, the numerator of which is the amount of the acquisition premium, and the denominator of which is the total OID).

If a holder has a tax basis in ~~its share of the New Term Loan received~~a debt instrument that exceeds the stated redemption price at maturity of such ~~loan~~debt, the ~~New Term Loan~~debt will be treated as having "bond premium" and the holder generally will not include any of the OID in income. A holder may elect to amortize any bond premium over the period from its acquisition of the ~~New Term Loan~~debt to ~~its~~the maturity ~~date~~of the debt, in which case the holder should have an ordinary deduction (and a corresponding reduction in tax basis in ~~its share of~~ the ~~New Term Loan~~debt for purposes of computing gain or loss) in the amount of such bond premium upon the sale or other disposition of ~~its share of~~ the ~~New Term Loan~~debt, including the repayment of principal. If such an election to amortize bond premium is not made, a holder will receive a tax benefit from the premium only in computing such holder's gain or loss upon the sale or other taxable disposition of the ~~New Term Loan~~debt, including the repayment of principal.

An election to amortize bond premium will apply to amortizable bond premium on all notes and other bonds the interest on which is includible in the holder's gross income and that

are held at, or acquired after, the beginning of the holder's taxable year as to which the election is made. The election may be revoked only with the consent of the IRS.

(iii)(v) Disposition of New Common SharesInterests and New Term LoanDebt

In the case of a Prepetition Secured ClaimsClaim that was acquired at a "market discount" (as discussed below, see 4. "5. "Character of Gain or Loss") and subject to "reorganization" exchange treatment, the IRC indicates that any accrued market discount in respect of the Claims that is not currently includible in income should carry over to any nonrecognition property received in exchange therefor (i.e., to the New Common Shares and, if Interests, the New Term Loan if it constitutes a "security," and possibly the New Term Loan received in Exit Facility if such Rights Offering Interests or the exchange).Rights are a "security"). Any gain recognized by a holder upon a subsequent disposition of such New Common Shares or its share of the New Term LoanInterests and other nonrecognition property (if any) would be treated as ordinary income to the extent of such property's allocable portion of any accrued market discount not previously included in income. To date, specific Treasury Regulations implementing this rule have not been issued.

In addition, under Section 108(e)(7) of the IRC, any gain recognized on the subsequent sale, exchange, redemption, or other disposition of New Common SharesInterests will be treated as ordinary income to the extent the holder of the surrendered secured claim previously claimed any ordinary loss deductions with respect to the surrendered claim.

2. ***Consequences to Holders of Allowed Convertible NoteNotes Claims***

(i) Gain or Loss – Generally

Pursuant to the Plan, and in complete and final satisfaction of their respective Claims, each holder of Convertible Notes Claims (Class 4) will receive Noteholder Warrants, and in the event that the New Term Loan is issued in an amount greater than $125 million, its share of 3.5% of the principal amount in excess of $125 million of the New Term Loan.

Each holder of a Convertible Notes Claim generally will recognize gain or loss for U.S. federal income tax purposes as a result of the consummation of the Plan equal to the difference, if any, between (i) the aggregate fair market value of the Noteholder Warrants and the "issue price" of such holder's share (if any) of the New Term Loan (as discussed above in connection with the Prepetition Secured Claims) received in respect of its Claim on the Effective Date (other than any exchange consideration received in respect of a Claim for accrued but unpaid interest and possibly accrued OID) and (ii) the holder's adjusted tax basis in the Convertible Notes Claim exchanged (other than any tax basis attributable to accrued but unpaid interest and possibly accrued OID). See 4. "5. "Character of Gain or Loss," below. In addition, a holder of a Claim will have interest income to the extent of any exchange consideration allocable to accrued but unpaid interest not previously included in income. See 5 "6. "Distributions in Respect of Accrued but Unpaid Interest or OID," below.

In such case, a holder's tax basis in the Noteholder Warrants received pursuant to the Plan should equal the fair market value of such Noteholder Warrants on the Effective Date, and the ~~holders tax basis in the New Term Loan received, if any, should equal the issue price of such loan. The~~ holder's holding period in such warrants ~~and New Term Loan received~~ should begin on the day following the Effective Date.

~~For a discussion of the tax consequences of owning the New Term Loan, see 1.ii. above, "Consequences to Holders of Allowed Prepetition Secured Claims – Ownership of New Term Loans."~~

3. ***Consequences to Holders of Allowed General Unsecured Claims (Other Than Deficiency Claims)***

~~Gain or Loss – Generally~~

Pursuant to the Plan, and in complete and final satisfaction of their respective Claims, each holder of Allowed General Unsecured Claims (Class 5~~)~~), other than Deficiency Claims, will receive ~~an interest~~Class A Interests in the ~~Litigation~~Creditor Trust (to which will be transferred $~~1.0~~2.25 million ~~in cash~~ and the Assigned ~~Avoidance Actions~~Estate Claims). As discussed below (see 4. - "Treatment of the ~~Litigation~~Creditor Trust and its Beneficiaries"), the ~~Litigation~~Creditor Trust will be structured to qualify as a "grantor trust" for U.S. federal income tax purposes. Accordingly, each holder of an Allowed General Unsecured Claim receiving a beneficial interest in the ~~Litigation~~Creditor Trust will be treated for U.S. federal income tax purposes as directly receiving, and as a direct owner of, its respective share of the ~~Litigation~~Creditor Trust ~~assets~~Assets. For the remainder of the discussion in this section 3.—"Consequences to Holders of Allowed General Unsecured Claims (Other Than Deficiency Claims)," all references to a holder's Allowed General Unsecured Claims is exclusive of a holder's Allowed Deficiency Claims.

In general, each holder of a General Unsecured Claim will recognize gain or loss in an amount equal to the difference between (i) its respective share of the cash received by the ~~Litigation~~Creditor Trust and the fair market value of its undivided interest in the Assigned ~~Avoidance Actions~~Estate Claims and (ii) the holder's adjusted tax basis in its Claim (other than any Claim for accrued but unpaid interest). See ~~4~~5.—"Character of Gain or Loss," below. In addition, a holder of a Claim will have interest income to the extent of any exchange consideration allocable to accrued but unpaid interest not previously included in income. See ~~5~~6—"Distributions in Respect of Accrued but Unpaid Interest or OID," below.

After the Effective Date, a holder's share of any collections received on the assets of the ~~Litigation~~Creditor Trust (other than as a result of the subsequent disallowance of Disputed Claims) should not be included, for U.S. federal income tax purposes, in the holder's amount realized in respect of its Claim but should be separately treated as amounts realized in respect of such holder's ownership interest in the underlying assets of the ~~Litigation~~Creditor Trust.

In the event of a subsequent disallowance of a Disputed General Unsecured Claim, it is possible that a holder of a previously Allowed Claim may be taxed as such Disputed Claims are

resolved and the holder effectively becomes entitled to an increased share of the assets held in the ~~Litigation~~Creditor Trust. The imputed interest provisions of the IRC may apply to treat a portion of such increased share as imputed interest. In addition, it is possible that any loss realized by a holder in satisfaction of an Allowed General Unsecured Claim may be deferred until all Disputed Claims are determined and such holder's share can no longer increase, and with respect to certain claims, that a portion of any gain realized may be deferred under the "installment method" of reporting. Holders are urged to consult their tax advisors regarding the possibility for deferral, and the ability to elect out of the installment method of reporting any gain realized in respect of their Claims.

In general, a holder's adjusted tax basis in its share of Assigned ~~Avoidance Actions~~Estate Claims deemed received will equal the fair market value of such assets, and the holding period for such assets generally will begin on the day following the Effective Date.

4. ***Treatment of ~~Litigation~~Creditor Trust and its Beneficiaries***

The ~~Litigation~~Creditor Trust is intended to qualify as a "liquidating trust" for U.S. federal income tax purposes. In general, a ~~liquidating trust~~Creditor Trust is not a separate taxable entity, but rather is treated for U.S. federal income tax purposes as a "grantor trust" (i.e., a pass-through type entity). However, merely establishing a trust as a ~~liquidating trust~~Creditor Trust does not ensure that it will be treated as a grantor trust for U.S. federal income tax purposes. ~~The IRS, in~~In Revenue Procedure 94-45, 1994-2 C.B. 684, the IRS set forth the general criteria for obtaining an IRS ruling as to the grantor trust status of a ~~liquidating trust~~Creditor Trust under a chapter 11 plan. The ~~Litigation~~Creditor Trust has been structured with the intention of complying with such general criteria. Pursuant to the Plan, and in conformity with Revenue Procedure 94-45, all parties (including, without limitation, the Debtors, the ~~Litigation~~Creditor Trustee, and the ~~Litigation~~Creditor Trust Beneficiaries) are required to treat, for U.S. federal income tax purposes, the ~~Litigation~~Creditor Trust as a grantor trust of which the ~~Litigation~~Creditor Trust Beneficiaries are the owners and grantors (this treatment differs from the treatment of the Claims Reserves, discussed below). The following discussion assumes that the ~~Litigation~~Creditor Trust will be so respected for U.S. federal income tax purposes. However, no ruling has been requested from the IRS and no opinion of counsel has been requested concerning the tax status of the ~~Litigation~~Creditor Trust as a grantor trust. Accordingly, there can be no assurance that the IRS would not take a contrary position. If the IRS were to challenge successfully the classification of the ~~Litigation~~Creditor Trust, the U.S. federal income tax consequences to the ~~Litigation~~Creditor Trust, the ~~Litigation~~Creditor Trust Beneficiaries and the Debtors could vary from those discussed herein (including the potential for an entity-level tax on income of the ~~Litigation~~Creditor Trust).

a. ***General Tax Reporting by the ~~Litigation~~Creditor Trust and its Beneficiaries.***

For all U.S. federal income tax purposes, all parties (including, without limitation, the Debtors, the ~~Litigation~~Creditor Trustee, and the ~~Litigation~~Creditor Trust Beneficiaries) must treat the transfer of the Assigned ~~Avoidance Actions~~Estate Claims and $~~1.0~~2.25 million to the ~~Litigation~~Creditor Trust in accordance with the terms of the Plan. Pursuant to the Plan, the ~~Litigation~~Creditor Trust ~~assets~~Assets (other than any assets allocated to the ~~Litigation~~Creditor

Trust Disputed Claims Reserve, discussed below) are treated, for U.S. federal income tax purposes, as having been transferred, subject to any obligations relating to those assets, directly to the holders of the respective General Unsecured Claims (Class 5) and the holders of Allowed Prepetition Secured Claims (Class 3) in cancellation of their respective Claims (with each holder receiving an undivided interest in such assets in ~~accord~~accordance with their ~~economic~~ interests ~~in such assets~~the Creditor Trust), followed by the transfer by the holders to the ~~Litigation~~Creditor Trust of such assets in exchange for interests in the ~~Litigation~~Creditor Trust. Accordingly, all parties must treat the ~~Litigation~~Creditor Trust as a grantor trust of which the holders of the ~~Litigation~~Creditor Trust interests are the owners and grantors, and treat the ~~Litigation~~Creditor Trust Beneficiaries as the direct owners of an undivided interest in the ~~Litigation~~Creditor Trust ~~assets~~Assets (other than any assets allocated to the ~~Litigation~~Creditor Trust Disputed Claims Reserve), consistent with their economic interests therein, for all U.S. federal income tax purposes.

Reorganized ENXP LLC will in good faith value the ~~Litigation~~Creditor Trust Assets, and so inform the ~~Litigation~~Creditor Trustee. The ~~Litigation~~Creditor Trustee shall make the respective values available from time to time, to the extent relevant, and such values shall be used consistently by all parties to the ~~Litigation~~Creditor Trust (including, without limitation, the Debtors, the ~~Litigation~~Creditor Trustee, and ~~Litigation~~Creditor Trust Beneficiaries) for all U.S. federal income tax purposes.

~~Allocations of taxable~~Taxable income or loss ~~of the Litigation~~allocated to each Creditor Trust Beneficiary (other than income allocable to the ~~Litigation~~Creditor Trust Claims Reserve, discussed below) ~~among the Litigation Trust Beneficiaries shall be determined in proportion to the beneficiaries' proportionate interest in the Litigation Trust. Taxable income or loss allocated to each Litigation Trust Beneficiary~~ will be treated as income or loss with respect to such ~~Litigation~~Creditor Trust Beneficiary's undivided interest in the ~~Litigation~~Creditor Trust assets, and not as income or loss with respect to its prior ~~General Unsecured Claims.~~ Allowed Claim or. The character of any income and the character and ability to use any loss will depend on the particular situation of such ~~Litigation~~Creditor Trust Beneficiary.

The U.S. federal income tax obligations of a holder with respect to its ~~Litigation~~Creditor Trust interest are not dependent on the ~~Litigation~~Creditor Trust distributing any cash or other proceeds. Thus, a holder may incur a U.S. federal income tax liability with respect to its allocable share of ~~Litigation~~Creditor Trust income even if the ~~Litigation~~Creditor Trust does not make a concurrent distribution to the holder. In general, other than in respect of cash retained on account of ~~Disputed~~the Creditor Trust Claims Reserve and distributions resulting from undeliverable distributions (the subsequent distribution of which still relates to a holder's Allowed Claim), a distribution of cash by the ~~Litigation~~Creditor Trust will not be separately taxable to a ~~Litigation~~Creditor Trust Beneficiary since such beneficiary is already regarded for U.S. federal income tax purposes as owning the underlying assets (and was taxed at the time the cash was earned or received by such Trust). Holders are urged to consult their tax advisors regarding the appropriate U.S. federal income tax treatment of any subsequent distributions of cash originally retained by the ~~Litigation~~Creditor Trust on account of Disputed Claims.

The ~~Litigation~~Creditor Trustee will comply with all applicable governmental withholding requirements. Thus, in the case of any ~~Litigation~~Creditor Trust Beneficiaries that are not U.S. persons, the ~~Litigation~~Creditor Trustee may be required to withhold up to 30% of the income or proceeds allocable to such persons, depending on the circumstances (including whether the type of income is subject to a lower treaty rate). Significantly, as discussed above, a ~~Litigation~~Creditor Trust Beneficiary is treated for U.S. federal income tax purposes as holding an undivided interest in the underlying assets of the ~~Litigation~~Creditor Trust. Accordingly, any amounts received by either of the ~~Litigation~~Creditor Trust, the economic benefit of which inures to a ~~Litigation~~Creditor Trust Beneficiary on the basis described above with respect to the allocation of income, is treated as received by the beneficiary in respect of the underlying asset, and not in respect of its General Unsecured Claims. As indicated above, the foregoing discussion of the U.S. federal income tax consequences of the Plan does not generally address the consequences to non-U.S. holders; accordingly, such holders should consult their tax advisors with respect to the U.S. federal income tax consequences of the Plan, including owning an interest in the ~~Litigation~~Creditor Trust.

The ~~Litigation~~Creditor Trustee will file tax return(s) with the IRS ~~returns~~ for the ~~Litigation~~Creditor Trust as a grantor trust pursuant to Treasury Regulation Section 1.671-4(a). Except as discussed below with respect to the ~~Litigation~~Creditor Trust Disputed Claims Reserve, the ~~Litigation~~Creditor Trustee will annually send to the holders of record of ~~Litigation~~Creditor Trust Interests a separate statement regarding the receipts and expenditures of the ~~Litigation~~Creditor Trust as relevant for U.S. federal income tax purposes.

b. ***Tax Reporting for ~~Litigation~~Creditor Trust Disputed Claims Reserve.***

Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by either of the ~~Litigation~~Creditor Trustee of an IRS private letter ruling if the ~~Litigation~~Creditor Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by the ~~Litigation~~Creditor Trustee), the ~~Litigation~~Creditor Trustee will (~~A~~i) elect to treat any assets allocable to, or retained on account of, Disputed Claims (the "~~Litigation~~**Creditor Trust Disputed Claims Reserve**") as a "disputed ownership fund" governed by Treasury Regulation section 1.468B-9, and (~~B~~ii) to the extent permitted by applicable law, report consistently with the foregoing for state and local income tax purposes. All parties (including, without limitation, the Debtors, the ~~Litigation~~Creditor Trustee and the ~~Litigation~~Creditor Trust Beneficiaries) will be required to report for tax purposes consistent with such treatment.

Accordingly, the ~~Litigation~~Creditor Trust Disputed Claims Reserve will be a separate taxable entity for U.S. federal income tax purposes, and all actual and constructive distributions from such reserve (including to the extent assets were initially allocable to Disputed Claims, but are no longer) will be taxable to such reserve as if sold at fair market value. Any actual or constructive distributions from the reserve to holders of ~~allowed~~Allowed claims (including to previously Allowed Claims in the event a Disputed Claim is disallowed) is treated for U.S. federal income tax purposes as if received directly from the Debtors on the original Allowed General Unsecured Claim in respect of which the ~~Litigation~~Creditor Trust interest was issued. Thus, a holder must be careful to differentiate between the tax treatment of actual or constructive

distributions from the ~~Litigation~~Creditor Trust Disputed Claims Reserve and the tax treatment of distributions out of assets of the ~~Litigation~~Creditor Trust to which the holder is already considered the direct owner for U.S. federal income tax purposes (discussed above).

The ~~Litigation~~Creditor Trustee will be responsible for payment, out of the assets of the ~~Litigation~~Creditor Trust of any taxes imposed on the ~~Litigation~~Creditor Trust or its assets, including the ~~Litigation~~Creditor Trust Disputed Claims Reserve.

5. ***Character of Gain or Loss***

Where gain or loss on the exchange of Claims is recognized by a holder, the character of such gain or loss as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the holder, whether the Claim constitutes a capital asset in the hands of the holder and how long it has been held, whether the Claim was acquired at a market discount, and whether and to what extent the holder previously claimed a bad debt deduction.

A holder that purchased its Claim from a prior holder at a "market discount" (relative to the principal amount of the Claims at the time of acquisition) may be subject to the market discount rules of the IRC. In general, a debt instrument is considered to have been acquired with "market discount" if its holder's adjusted tax basis in the debt instrument is less than (i) its stated principal amount or (ii) in the case of a debt instrument issued with OID, its adjusted issue price, in each case, by at least a de minimis amount.

Under these rules, any gain recognized on the exchange of Claims (other than in respect of a Claim for accrued but unpaid interest) generally will be treated as ordinary income to the extent of the market discount accrued (on a straight line basis or, at the election of the holder, on a constant yield basis) during the holder's period of ownership, unless the holder elected to include the market discount in income as it accrued. If a holder of a Claim did not elect to include market discount in income as it accrued and, thus, under the market discount rules, was required to defer all or a portion of any deductions for interest on debt incurred or maintained to purchase or carry its Claims, such deferred amounts would become deductible at the time of the exchange but, if the exchange is a reorganization exchange, only up to the amount of gain that the holder recognizes in the exchange.

6. ***Distributions in Respect of Accrued But Unpaid Interest or OID***

In general, to the extent that any consideration received pursuant to the Plan by a holder of a Claim is received in satisfaction of accrued interest during its holding period, such amount will be taxable to the holder as interest income (if not previously included in the holder's gross income). Conversely, a holder generally recognizes a deductible loss to the extent any accrued interest claimed or accrued OID was previously included in its gross income and is not paid in full. However, the IRS has privately ruled that a holder of a "security" of a corporate issuer, in an otherwise tax-free exchange, could not claim a current loss with respect to any accrued but unpaid OID. Accordingly, it is also unclear whether, by analogy, a holder of a Claim that does not constitute a "security" of ENXP LLC or ENXP, as applicable, would be required to recognize

a capital loss, rather than an ordinary loss, with respect to previously included OID that is not paid in full.

Although the manner in which consideration is to be allocated between accrued interest and principal for these purposes is unclear under current law, the consideration paid pursuant to the Plan with respect to a secured claim shall be allocated, pursuant to the Plan, first to the principal amount of such secured claim as determined for U.S. federal income tax purposes and then to accrued interest, if any, with respect to such secured claim. Accordingly, in cases where a holder receives distributions under the Plan having a value less than the principal amount of its secured claim, the Plan allocates the full amount of consideration transferred to such holder to the principal amount of such obligation and will not treat any amount of the consideration to be received by such holder as attributable to accrued interest. There is no assurance that such allocation will be respected by the IRS for U.S. federal income tax purposes. Holders are urged to consult their own tax advisor regarding the particular U.S. federal income tax consequences to them of the treatment of accrued but unpaid interest, as well as the character of any loss claimed with respect to accrued but unpaid interest previously included in gross income.

~~Section 15.04~~Section 16.04 Information Reporting and Backup Withholding

Certain payments, including the payments with respect to claims pursuant to the Plan or by the Reorganized Debtors, may be subject to information reporting by the payor to the IRS. Moreover, such reportable payments may be subject to backup withholding (currently at a rate of 28%) under certain circumstances. Backup withholding is not an additional tax. Rather, amounts withheld under the backup withholding rules may be credited against a holder's U.S. federal income tax liability, and a holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS (generally a ~~United States~~U.S. federal income tax return). The Debtors intend to comply with all applicable reporting withholding and requirements of the IRC.

~~Section 15.05~~Section 16.05 Importance of Obtaining Professional Tax Assistance

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN INCOME TAX CONSEQUENCES OF THE PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE ABOVE DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A CLAIM HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS ABOUT THE U.S. FEDERAL, STATE, AND LOCAL, AND APPLICABLE FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

~~Article XVI~~ARTICLE XVII
CONCLUSION AND RECOMMENDATION

The Debtors believe that the Plan is in the best interests of all holders of claims and interests, and urge those holders of claims entitled to vote to accept the Plan and to evidence such acceptance by returning their Ballots so they will be RECEIVED by the Voting Agent no later

than 4:00 p.m., prevailing Central Time on [April 15, 2016].] If the Plan is not confirmed, or if holders in those classes do not vote to accept the Plan, the holders in those classes may not receive a distribution.

Dated: ~~February 10~~March 15, 2016

Energy & Exploration Partners, Inc.

By: */s/ Hunt Pettit*
Name: B. Hunt Pettit
Title: President and Chief Executive Officer

~~Title: President and Chief Executive Officer~~

Energy & Exploration Partners, LLC.

By: */s/ Hunt Pettit*
Name: B. Hunt Pettit
Title: President and Chief Executive Officer

Energy & Exploration Partners Operating GP, LLC

By: */s/ Hunt Pettit*
Name: B. Hunt Pettit
Title: President and Chief Executive Officer

Energy & Exploration Partners Operating, LP

By: */s/ Hunt Pettit*
Name: B. Hunt Pettit
Title: President and Chief Executive Officer

EXHIBIT A

DEBTORS' FIRST AMENDED JOINT PLAN OF REORGANIZATION

[FILED SEPARATELY]

EXHIBIT B

RESTRUCTURING SUPPORT AGREEMENT

[FILED SEPARATELY – DKT. NO. 367]

EXHIBIT C

MAP OF DEBTORS' LEASEHOLD INTERESTS

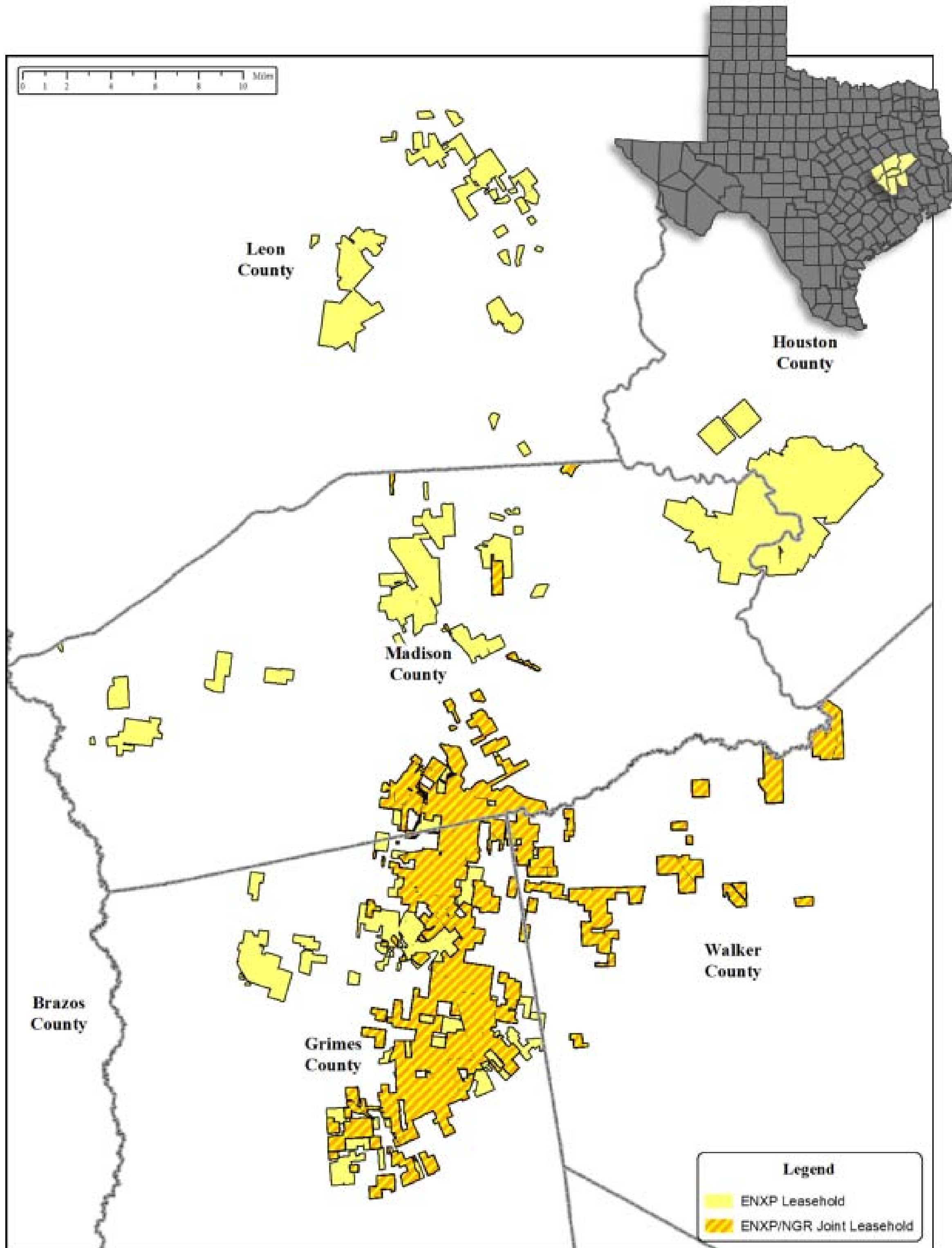
Miles
0 1 2 4 6 8 10
Leon County
Houston County
Madison County
Walker County
Brazos County
Grimes County
Legend
ENXP Leasehold
ENXP/NGR Joint Leasehold

EXHIBIT D

CORPORATE ORGANIZATION CHART

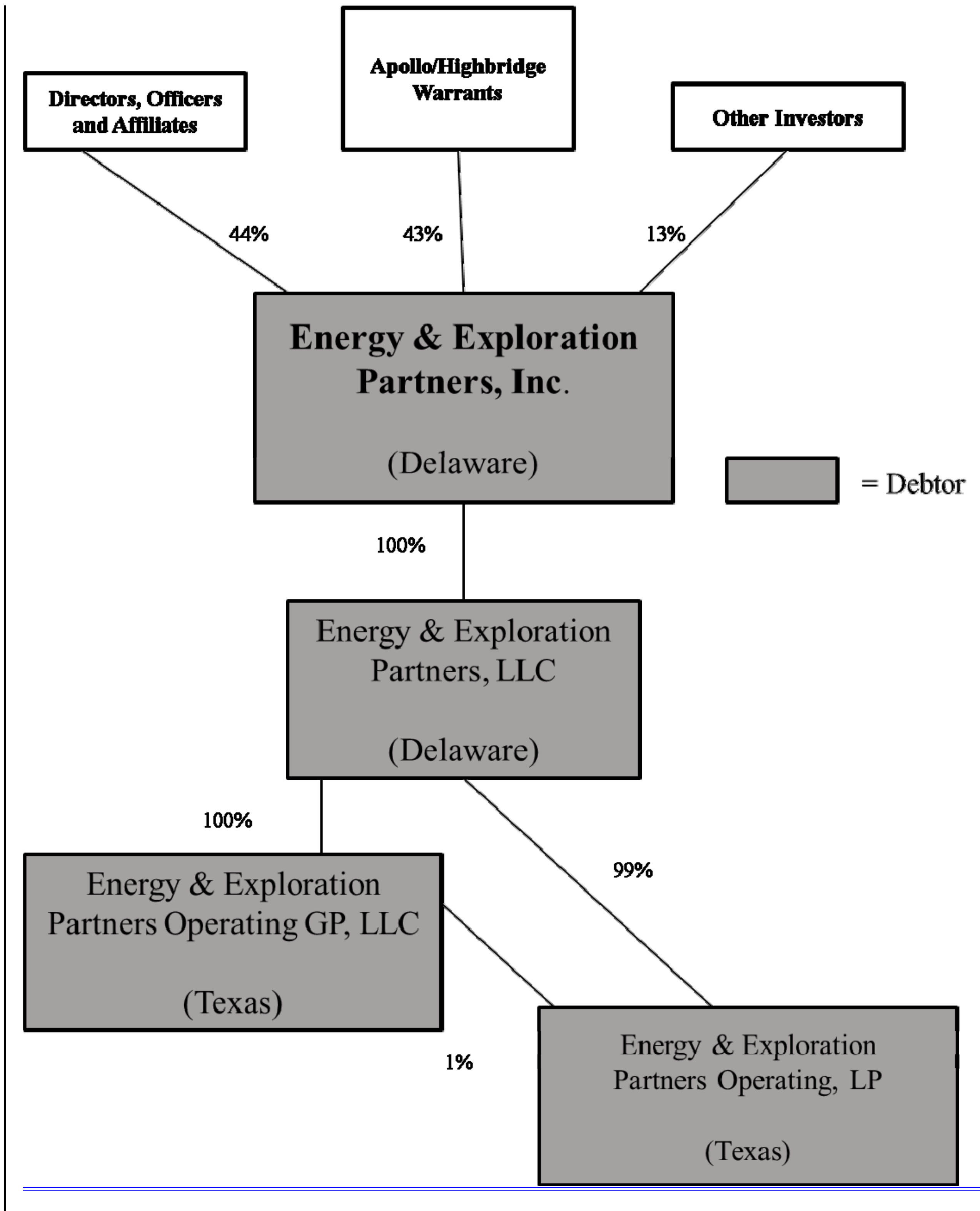
Directors, Officers and Affiliates
Apollo/Highbridge Warrants
Other Investors
44%
43%
13%
Energy & Exploration Partners, Inc.
(Delaware)
= Debtor
100%
Energy & Exploration Partners, LLC
(Delaware)
100%
99%
Energy & Exploration Partners Operating GP, LLC
(Texas)
1%
Energy & Exploration Partners Operating, LP
(Texas)

EXHIBIT E

ORDER APPROVING THE DISCLOSURE STATEMENT AND ESTABLISHING PROCEDURES WITH REGARD TO SOLICITATION

[TO COME]

Summary Report

March 15, 2016 3:02 AM

	Document	Location
Original	ENXP - Disclosure Statement	DM\5095919\11
Revised	ENXP - Disclosure Statement	DM\5095919\

Change Summary

	Number of Changes	Markup Format
Insertions	829	Sample Text
Deletions	783	~~Sample Text~~
Moved from	3	~~Sample Text~~
Moved to	3	Sample Text
Formatting	0	Sample Text
Total	**1618**	