

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	Chapter 11
MILAGRO HOLDINGS, LLC, <i>et al.</i> ,	Case No. 15-11520 (KG)
Debtors. ¹	Jointly Administered
	Ref. Docket Nos. 31 & 138

**NOTICE OF FILING OF AMENDMENT
TO RESTRUCTURING SUPPORT AGREEMENT**

PLEASE TAKE NOTICE that, on July 16, 2015, the debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”) filed the *Debtors’ Motion for Entry of an Order Authorizing the Debtors to Assume the Restructuring Support Agreement* [Docket No. 31] (the “Motion”).² On August 17, 2015, the Court entered an order approving the Motion [Docket No. 138] (the “Order”).

PLEASE TAKE FURTHER NOTICE that, pursuant to the Order, the Debtors are authorized to enter into amendments, as necessary, to the Restructuring Support Agreement without further Court order. Within two business days of the effective date of each such amendment, the Debtors are to file with the Court a notice attaching a copy of the amendment(s). Accordingly, attached hereto as Exhibit A is Amendment No. 1 to the Restructuring Support Agreement.³

[SIGNATURE PAGE FOLLOWS]

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Milagro Holdings, LLC (7232); Milagro Oil & Gas, Inc. (7173); Milagro Exploration, LLC (9260); Milagro Producing, LLC (9330); Milagro Mid-Continent, LLC (8804); and Milagro Resources, LLC (6134). The Debtors’ mailing address is 1301 McKinney Street, Suite 500, Houston, Texas 77010.

² Capitalized terms used but not otherwise defined herein shall assume the meaning ascribed to them in the Motion.

³ Consistent with prior filings, the Debtors have redacted the signature pages of the Consenting Noteholders that are party to Amendment No. 1.

Dated: Wilmington, Delaware
August 31, 2015

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EXHIBIT A

Amendment No. 1 to Restructuring Support Agreement

**AMENDMENT NO. 1 TO
RESTRUCTURING SUPPORT AGREEMENT**

This **AMENDMENT NO. 1 TO THE RESTRUCTURING SUPPORT AGREEMENT** (this "Amendment") is made and entered into and is effective as of August 31, 2015, by and among: (i) Milagro Oil & Gas, Inc., a Delaware corporation ("Milagro Oil & Gas"), on behalf of itself and its direct and indirect subsidiaries, and Milagro Holdings, LLC, a Delaware limited liability company (the "Parent" and, together with Milagro Oil & Gas and its direct and indirect subsidiaries, collectively, the "Company"); and (ii) each of the Consenting Noteholders who becomes a party hereto by executing and delivering a signature page to the Company. Each of the Company and each Consenting Noteholder party hereto is individually referred to herein as a "Party" and collectively as the "Parties". Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Restructuring Support Agreement (as defined below).

RECITALS

A. The Company, the Consenting Noteholders, the Secured Lenders, the Administrative Agent, the Equity Holders, and White Oak, are parties to that certain Restructuring Support Agreement, dated as of July 15, 2015 (as amended, restated, supplemented or otherwise modified from time-to-time, the "Restructuring Support Agreement").

B. In accordance with the Restructuring Support Agreement, (i) on July 15, 2015, the Company commenced the Chapter 11 Cases in the Bankruptcy Court and (ii) on July 22, 2015, the Company filed in the Chapter 11 Cases the *Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 64] (the "Plan") and a related disclosure statement and exhibits [Docket No. 65 and 93] (the "Disclosure Statement").

C. The assumption of the Restructuring Support Agreement was authorized by the Bankruptcy Court by Order [Docket No. 138] dated August 17, 2015.

D. The Company and certain Consenting Noteholders have agreed to amend the Restructuring Support Agreement as set forth herein.

E. Pursuant to Section 9 of the Restructuring Support Agreement, the Restructuring Support Agreement may be amended by the Company and Requisite Consenting Noteholders in the case of an amendment which is not inconsistent with the treatment of the Secured Lenders as set forth in the Restructuring Support Agreement and the Plan, without the need to obtain the consent of any other Supporting Parties.

F. The aggregate principal amount of the Second Lien Notes owned or controlled by all of the Consenting Noteholders as of the date hereof is \$203,595,000.

G. Following the effectiveness of this Amendment, the Debtors shall amend the Plan to remain consistent with the terms of the Restructuring Support Agreement, as modified herein.

NOW, THEREFORE, for and in consideration of the matters contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Amendment to Restructuring Support Agreement. The Restructuring Support Agreement is hereby amended by adding the following provision as Section 3(a)(vi) of the Restructuring Support Agreement, and making the appropriate adjustments to the numbering of the subsections of, and corresponding references to, Section 3(a):

“solely with respect to the Consenting Noteholders, cause the New Holdings Operating Agreement to require the Reorganized Debtor to pay from the Rights Offering Proceeds, and the Consenting Noteholders (in their capacity as Noteholders and equity holders of the Reorganized Debtor after the Effective Date) shall at all times cause the Reorganized Debtor to pay and for the New Holdings Operating Agreement to require payment of, the Restructuring Recognition Awards to the Debtors’ (a) President and Chief Operating Officer, Gary Mabie, and (b) Vice President of Business Development/Land, Marshall Munsell. Notwithstanding anything to the contrary herein, (x) it is expressly acknowledged, agreed and understood, that Gary Mabie and Marshall Munsell are intended third-party beneficiaries of this section 3(a)(vi), and (y) if the Effective Date of the Plan occurs, the obligations of the Consenting Noteholders shall continue until such time as the Restructuring Recognition Awards are paid as set forth in this section 3(a)(vi), notwithstanding any earlier termination of the Restructuring Support Period;”

2. Amendment to Plan. Following the effectiveness of this Amendment, the Debtors shall amend and restate Article VI.O. of the Plan to remain consistent with the terms of the Restructuring Support Agreement as modified by this Amendment.

3. Continued Effect of the Restructuring Support Agreement. Except as otherwise provided herein, this Agreement shall not, by implication or otherwise, alter, modify, amend or in any way affect any of the obligations or covenants contained in the Restructuring Support Agreement, all of which are ratified and confirmed in all respects by the Parties hereto and shall continue in full force and effect.

4. Effectiveness. This Amendment shall become effective and binding upon the execution and delivery of counterpart signatures by each of the (i) Company and (ii) Consenting Lenders who, in the aggregate, own or control in excess of \$101,797,500 in principal amount of Second Lien Notes.

5. Miscellaneous.

(a) Entire Agreement. This Amendment, together with the Restructuring Support Agreement, constitutes the entire agreement of the Parties hereto, and supersedes all other

prior negotiations with respect to the subject matter hereof. Except as modified by this Amendment, the Restructuring Support Agreement shall continue in full force in effect. Each reference to the Restructuring Support Agreement hereafter made in any document, agreement, instrument, notice or communication shall mean and be a reference to the Restructuring Support Agreement as modified hereby.

(b) Severability. Each provision of this Amendment shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Amendment shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Amendment.

(c) Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Amendment. Delivery of an executed signature page of this Amendment by facsimile or portable document format shall be effective as delivery of a manually executed signature page of this Amendment.

(d) Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY CONFLICTS OF LAW PROVISIONS WHICH WOULD REQUIRE THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION.

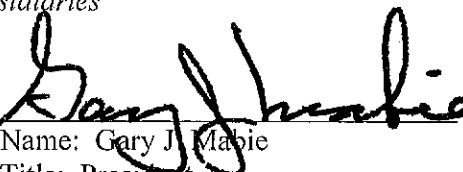
(e) Parties in Interest. This Amendment shall be binding upon and inure to the benefit of each Party hereto and each of their respective successors and assigns, and nothing in this Amendment is intended to confer upon any other person, whether or not named herein, any rights or remedies of any nature whatsoever under or by reason of this Amendment.

(f) Descriptive Headings. Headings used herein are inserted for convenience only and shall not affect the interpretation hereof or, for any purpose, be deemed a part of this Amendment.

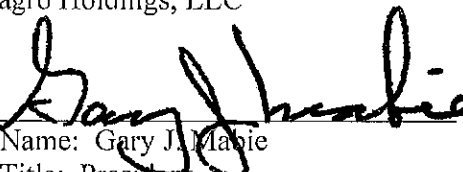
[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned have each caused this Amendment to be duly executed and delivered by their respective, duly authorized officers as of the date first above written.

Milagro Oil & Gas, Inc., *on behalf of
itself and each of its direct and indirect
subsidiaries*

By: 
Name: Gary J. Mabie
Title: President

Milagro Holdings, LLC

By: 
Name: Gary J. Mabie
Title: President

[Non-Debtor Party Signature Pages Omitted]