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. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED TO THE BANKRUPTCY COURT FOR APPROVAL BUT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT.

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

IN RE:	§	**Case No. 17-40120-rfn**
ARABELLA EXPLORATION, LLC, a Texas limited liability corporation, et al.,	§	**Chapter 11**
	§	**(Jointly Administered)**
	§	**Honorable Russell F. Nelms**
Debtors.[1]	§	**U.S. Bankruptcy Judge**
	§	

DISCLOSURE STATEMENT IN SUPPORT OF DEBTORS' AND PLATINUM PARTNERS CREDIT OPPORTUNITIES MASTER FUND, LP'S JOINT PLAN OF REORGANIZATION

[1] This case is jointly administered with the case of Arabella Operating, LLC, Case No. 17-41479.

In accordance with Bankruptcy Code[2] §§ 1121-1123 and 1129 and Bankruptcy Rule 3016, Arabella Exploration, LLC ("AEX") and Arabella Operating, LLC ("AO"), debtors-in-possession in these Chapter 11 Cases (collectively, the "Debtors"), and Platinum Partners Credit Opportunities Master Fund, LP ("Platinum") propose a plan of liquidation (the "Plan") for the resolution of all outstanding claims against and equity interests in the Debtors. This *Disclosure Statement in Support of Debtors' and Platinum Partners Credit Opportunities Master Fund, LP's Joint Plan of Reorganization* ("Disclosure Statement") contains information intended to constitute an adequate disclosure statement concerning the Debtors, these Chapter 11 Cases, and the Plan in accordance with Bankruptcy Code § 1125 and Bankruptcy Rules 3016 and 3017.

All Creditors are encouraged to read and carefully consider this Disclosure Statement, including the Plan, and the matters described under "Risk Factors" in Section IX. This Disclosure Statement is being delivered to you because you are the Holder of, or have otherwise asserted, a Claim or Claims against the Debtors.

No person is authorized by any of the Debtors in connection with the Plan or the solicitation of acceptances of the Plan to give any information or to make any representation other than as contained in this Disclosure Statement and the Exhibit attached hereto. If such information or representation is given or made, it may not be relied upon as having been authorized by any of the Debtors. The Debtors will make available to Creditors entitled to vote on the Plan such additional information as may be required by applicable law.

The summaries of the Plan contained in this Disclosure Statement are qualified by reference to the Plan itself, and exhibits thereto and documents described therein. In the event that any inconsistency or conflict exists between this Disclosure Statement and the Plan, the terms of the Plan will control.

Subject to Bankruptcy Code § 1127 and Bankruptcy Rule 3019, Debtors reserve the right to amend the Plan one or more times before it is substantially consummated.

Anyone trading in or otherwise purchasing, selling, or transferring Claims against, or Interests in, the Debtors should evaluate the Plan and Disclosure Statement in light of the purpose for which they were prepared. This Disclosure Statement may not be construed as advising any person on the tax, securities, or other legal effects of the Plan as to holders of Claims against or Interests in the Debtors. There has been no independent audit of the financial information contained in the Plan or this Disclosure Statement, which was compiled from information obtained from various sources the Debtors believe to be reliable to the best of their knowledge and belief. Neither the US Securities and Exchange Commission ("SEC") nor any state authority has issued any statement regarding the accuracy, adequacy, or merits of the Plan or this Disclosure Statement. This Disclosure Statement has not been approved or disapproved by the SEC, any state securities commission, any securities exchange or association, or the Bankruptcy Court, nor has the SEC, any state securities commission, any securities exchange or association, or the Bankruptcy Court passed upon the accuracy or adequacy of the statements contained herein. Neither this Disclosure Statement nor the solicitation of votes on the Plan constitutes an offer to sell, or the solicitation of

[2] Capitalized terms not defined in this Disclosure Statement shall have the same meanings set forth in the Plan.

an offer to buy, securities in any state or jurisdiction in which such offer or solicitation is not authorized.

The Plan and this Disclosure Statement may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The words "believe", "may", "estimate", "continue", "anticipate", "intend", "expect" and similar expressions identify these forward-looking statements. Any forward-looking statements contained in the Plan and this Disclosure Statement are necessarily speculative, and are subject to a number of risks, uncertainties and assumptions, including those described below in Section IX. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this Disclosure Statement may not occur, and actual results could differ materially from those anticipated in the forward-looking statements. The Debtors do not undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Any projected recoveries to Holders of Claims set forth in the Plan are based on analyses performed by the Debtors and their advisors, who made every reasonable effort to verify the accuracy of the information presented in the Plan and this Disclosure Statement. Nonetheless, no warranty is offered or implied or should be inferred regarding the accuracy of any such information. Nothing in the Plan or this Disclosure Statement is or may be construed as an admission of any fact or liability by any person or admissible in any proceeding involving the Debtors. All statements and information contained in the Plan and this Disclosure Statement are made and given as of the date of this document and may not be deemed to imply that any information is correct at any time after the date of this document.

CRITICAL DATES

Objections to approval of Disclosure Statement or Plan confirmation due: _____
Combined hearing on Disclosure Statement approval and Plan confirmation: _____

I.
INTRODUCTION AND OVERVIEW

A. Overview

The following is a brief overview of certain material provisions of the Plan. This overview is qualified by reference to the provisions of the Plan, which is attached hereto as **Exhibit A**, and the exhibits thereto, as amended from time to time. In the event that any inconsistency or conflict arises between this Disclosure Statement and the Plan, the terms of the Plan will control.

On January 8, 2017 (the "AEX Petition Date"), AEX filed its voluntary petition for relief under chapter 11 of the Bankruptcy Code. On April 4, 2017, AO filed its voluntary petition for relief under chapter 11 of the Bankruptcy Code. The above-captioned chapter 11 cases are referred to herein collectively as the "Chapter 11 Cases." The Chapter 11 Cases are being jointly administered. The Debtors continue to manage and operate their Estates as debtors-in-possession pursuant to Bankruptcy Code §§ 1107 and 1108. No trustee or examiner has been appointed in these Chapter 11 Cases and no committee has been appointed or designated.

The Debtors originally filed these Chapter 11 Cases in order to effectuate a sale of their Oil and Gas Assets, as defined and further described in Section VI(A) below. Prior to the AEX Petition Date, the Debtors were experiencing considerable financial distress, and a number of Creditors had filed liens against or were attempting to foreclose upon certain of the Debtors' Oil and Gas Assets, and title to the Oil and Gas Assets was otherwise in dispute among various parties identified in Section VI below. The 363 Sale (as defined and further described in Section VII(D)(4) below) was complicated by the fact that the Debtors' primary secured lender, Platinum, which maintained a lien against substantially all of the Debtors' Oil and Gas Assets, was owed more than the value of the Oil and Gas Assets on the AEX Petition Date, and various parties claimed intervening or superior lien or ownership rights in the Oil and Gas Assets. The Debtors reached settlements with most of the parties with disputed and/or opposing interests in the Oil and Gas Assets, as described in Sections VII(C) and (D) below, thereby clearing the path to a successful 363 Sale.

The requirements for confirmation, including the vote of Creditors entitled to vote on the Plan and certain of the statutory findings that must be made by the Bankruptcy Court for the Plan to be confirmed, are set forth in Sections III and IV. Confirmation of the Plan and the occurrence of the Effective Date are subject to certain conditions, which are summarized in Section VIII(H). There is no assurance that these conditions will be satisfied or waived.

At the Confirmation Hearing, as defined in Section IV(A) below, the Bankruptcy Court will confirm the Plan only if all of the applicable requirements of Bankruptcy Code § 1129 are met. Among the requirements for confirmation of a plan are that the plan: (i) is accepted by the requisite holders of claims and interests in impaired classes of such debtor; (ii) is in the "best interests" of each holder of a claim or interest in each impaired class under the plan for such debtor; (iii) is feasible; and (iv) complies with the applicable provisions of the Bankruptcy Code. In this instance, only the holder of the Platinum Prepetition Secured Claim in Class 3 is entitled to vote to accept or reject the Plan. See Section IV for a discussion of the Bankruptcy Code requirements for plan confirmation.

While the Debtors believe that this Disclosure Statement contains adequate information, Holders of Claims and Interests should review the entire Plan and each document referenced herein, and should seek the advice of their own counsel and other advisors. Certain provisions of the Plan may be the subject of continuing negotiations among the Debtors and various parties, may not have been finally agreed, and may be modified. However, such modifications will not have a material effect on the distributions contemplated by the Plan.

The Debtors and Platinum are proponents of the Plan within the meaning of Bankruptcy Code § 1129. The Plan contains separate Classes and proposes recoveries for Holders of Claims against and Interests in the Debtors. After careful review of the Debtors' current business operations, estimated recoveries in a liquidation scenario, and the prospects of ongoing business, the Debtors have concluded that the recovery to Creditors will be maximized by the liquidation of the Debtors as contemplated by the Plan.

EXCEPT FOR THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT AND ITS EXHIBIT, NO REPRESENTATIONS CONCERNING THE DEBTORS, THE DEBTORS' ASSETS AND LIABILITIES, THE PAST OR FUTURE OPERATIONS OF THE DEBTORS, THE PLAN AND ITS TERMS, OR ALTERNATIVES TO THE PLAN ARE AUTHORIZED, NOR ARE ANY SUCH REPRESENTATIONS TO BE RELIED ON IN ARRIVING AT A DECISION WITH RESPECT TO THE PLAN. ANY INFORMATION REGARDING SUCH TOPIC AREAS THAT IS NOT CONTAINED IN THIS DISCLOSURE STATEMENT AND ITS EXHIBIT IS UNAUTHORIZED AND SHOULD BE REPORTED IMMEDIATELY TO THE DEBTORS' COUNSEL.

STATEMENTS AND FINANCIAL INFORMATION HEREIN CONCERNING THE DEBTORS, INCLUDING, WITHOUT LIMITATION, HISTORICAL INFORMATION, INFORMATION REGARDING THE DEBTORS' ASSETS AND LIABILITIES, AND INFORMATION REGARDING CLAIMS AND INTERESTS ASSERTED OR OTHERWISE EVIDENCED IN THESE CHAPTER 11 CASES, HAVE BEEN DERIVED FROM NUMEROUS SOURCES, INCLUDING, WITHOUT LIMITATION, THE DEBTORS, THE DEBTORS' BOOKS AND RECORDS, THE DEBTORS' SCHEDULES AND STATEMENT OF FINANCIAL AFFAIRS AND COURT RECORDS. ALTHOUGH THE DEBTORS REASONABLY BELIEVE THAT THE HISTORICAL AND FINANCIAL INFORMATION SET FORTH HEREIN IS ACCURATE, COMPLETE, AND RELIABLE, THE DEBTORS AND THEIR PROFESSIONALS HAVE NOT TAKEN ANY INDEPENDENT ACTION TO VERIFY THE ACCURACY, COMPLETENESS, OR RELIABILITY OF SUCH INFORMATION, AND THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT. THEREFORE, NEITHER THE DEBTORS NOR THEIR PROFESSIONALS WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS COMPLETE, ACCURATE, OR RELIABLE. HOWEVER, THE DEBTORS HAVE REVIEWED THE INFORMATION SET FORTH HEREIN AND, BASED ON THEIR SOURCES OF INFORMATION, GENERALLY BELIEVE SUCH INFORMATION TO BE COMPLETE.

UPON BANKRUPTCY COURT APPROVAL OF THE PLAN, THE PLAN WILL BE BINDING ON ALL HOLDERS OF CLAIMS AND HOLDERS OF EQUITY INTERESTS.

B. Notice to Holders of Claims and Interests

The purpose of a disclosure statement is to enable creditors whose claims and interests are impaired under a proposed chapter 11 plan to make an informed decision when exercising their right to accept or reject the plan. **As further explained below, the only Holder of a Claim that is entitled to vote to accept or reject the Plan is Platinum.**

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH THE BANKRUPTCY CODE AND BANKRUPTCY RULES AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAW OR OTHER NON-BANKRUPTCY LAW. THIS DISCLOSURE STATEMENT HAS BEEN NEITHER APPROVED NOR DISAPPROVED BY THE SEC, NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

HOLDERS OF CLAIMS AND INTERESTS SHOULD NOT CONSTRUE THE CONTENTS OF THIS DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE. EACH CLAIMANT AND INTEREST HOLDER SHOULD CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL, AND TAX ADVISORS AS TO ANY MATTER CONCERNING THE PLAN, THE EFFECTS OF IMPLEMENTATION OF THE PLAN, AND THE VOTING PROCEDURES APPLICABLE TO THE PLAN.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT WILL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS AND IS, THEREFORE, PROTECTED UNDER RULE 408 OF THE FEDERAL RULES OF EVIDENCE. THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING NOR SHALL 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.

II.
EXPLANATION OF CHAPTER 11

A. Overview of Chapter 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code pursuant to which a debtor may reorganize its business for the benefit of its creditors, equity holders, and other parties in interest. The commencement of a chapter 11 case creates an estate comprising all the legal and equitable interests of a debtor as of the date the petition is filed. Bankruptcy Code §§ 1101, 1107, and 1108 provide that a debtor may continue to operate its business and remain in possession of its property as a "debtor-in-possession," unless the bankruptcy court orders the appointment of a trustee. In these Chapter 11 Cases, the Debtors each remain in possession of their property and continue to operate their businesses as debtors-in-possession.

The filing of a chapter 11 petition triggers the automatic stay provisions of the Bankruptcy Code. Bankruptcy Code § 362 provides, among other things, for an automatic stay of all attempts by creditors or other third parties to collect prepetition claims from the debtor or otherwise interfere with its property or business. Exempted from the automatic stay are governmental authorities seeking to exercise regulatory or policing powers. Unless otherwise ordered by the bankruptcy court, the automatic stay will remain in full force and effect until the effective date of a confirmed plan of reorganization.

B. Plan of Reorganization

Although referred to as a plan of reorganization, a plan may provide anything from a complex restructuring of a debtor's business and its related obligations to a simple liquidation of a debtor's assets. In either event, upon confirmation of the plan, the plan becomes binding on a debtor and all of its creditors and equity holders, and the prior obligations owed by the debtor to such parties are compromised and exchanged for the obligations specified in the plan.

After a plan of reorganization has been filed, certain holders of impaired claims against, and interests in, a debtor are permitted to vote to accept or reject the plan. Before soliciting acceptances of the proposed plan, Bankruptcy Code § 1125 requires the debtor to prepare and file a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan. **This Disclosure Statement is presented to Holders of Claims against the Debtors to satisfy the requirements of Bankruptcy Code § 1125. This Disclosure Statement was approved in an interim basis on [_____], 2018 and will be considered by the Bankruptcy Court for final approval on [November 20], 2018.**

III.
VOTING PROCEDURES AND REQUIREMENTS

A. Voting

Each Holder of a Claim in an impaired Class that will (or may) receive or retain property or any interest in property under the Plan is entitled to vote on the Plan. **The only Holder of a Claim that is impaired under the Plan and that will (or may) receive or retain property or any interest in property under the Plan, and therefore entitled to vote to accept or reject the Plan, is Platinum.**

You will be bound by the Plan if it is confirmed by the Bankruptcy Court, even if you do not vote on the Plan or if you are the Holder of a Claim that is Unimpaired.

B. Definition of Impairment

Pursuant to Bankruptcy Code § 1124, except to the extent that a Holder of a particular Claim or Interest within a Class agrees to less-favorable treatment of the Holder's Claim or Interest, a Class of Claims or Interests is Impaired under the Plan unless, with each Claim or Interest of such Class, the Plan does at least one of the following two things:

1. The Plan leaves unaltered the legal, equitable, and contractual rights to which such Claim or Interest entitles the Holder of such Claim or Interest; or

2. Notwithstanding any contractual provision or applicable law that entitles the Holder of such Claim or Interest to demand or receive accelerated payment of such Claim or Interest after the occurrence of a default, the Plan:

a. cures any such default that occurred before or after the commencement of the case under the Bankruptcy Code, other than a default of a kind specified in Bankruptcy Code § 365(b)(2) or of a kind that § 365(b)(2) expressly does not require to be cured;

b. reinstates the maturity of such Claim or Interest as such maturity existed before such default;

c. compensates the Holder of such Claim or Interest for any damages incurred as a result of any reasonable reliance by such Holder on such contractual provision or such applicable law;

d. if such Claim or Interest arises from a failure to perform a nonmonetary obligation, other than a default arising from the failure to operate a nonresidential real property lease subject to Bankruptcy Code § 365(b)(1)(A), compensates the holder of such Claim or Interest (other than the debtor or an insider) for any actual pecuniary loss incurred by such Holder as a result of such failure; and

e. does not otherwise alter the legal, equitable, or contractual rights to which such Claim or Interest entitles the Holder of such Claim or Interest.

C. Classes Impaired Under the Plan

Impaired Classes of Claims are identified in Sections V and VIII(B) and (C) below, but consist of Classes 3, 4 and 5. Classes 1 and 2 are Unimpaired.

With respect to the foregoing, the Debtors specifically reserve the right to determine and contest, if necessary, the Impaired or Unimpaired status of a Class under the Plan.

D. Vote Required for Impaired Class Acceptance

Pursuant to Bankruptcy Code § 1126(c), a Class of Claims under the Plan shall be deemed to have accepted the Plan if the Plan is accepted by claimants holding at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims within such Class that voted on the Plan. Only those Holders of Claims who actually vote and are entitled to vote to accept or reject the Plan count in this tabulation.

IV.
CONFIRMATION OF THE PLAN

A. Confirmation Hearing

If all classes of claims and equity interests accept a plan of reorganization, or are deemed to have accepted the plan of reorganization, the bankruptcy court may confirm the plan if the bankruptcy court independently determines that the requirements of Bankruptcy Code § 1129(a) have been satisfied.

Chapter 11 of the Bankruptcy Code does not require that each holder of a claim or interest in a particular class vote in favor of a plan for the bankruptcy court to determine that the class has accepted the plan.

In addition, classes that are to receive no distribution under the plan are conclusively deemed to have rejected the plan. Accordingly, acceptances of a plan will generally be solicited only from those persons who hold claims or equity interests in an impaired class that will (or may) receive or retain property or any interest in property under the plan.

Bankruptcy Code § 1128(a) requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of the Plan. Bankruptcy Code § 1128(b) provides that any party in interest may object to confirmation of the Plan.

Pursuant to Bankruptcy Code § 1128, the Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan (the "Confirmation Hearing") on [November 20, 2018], 2018, at 9:30 a.m. (prevailing Central Time), before the Honorable Russell F. Nelms, United States Bankruptcy Judge for the Northern District of Texas, at Eldon B. Mahon U.S. Courthouse, 501 W 10th Street Suite 147, Fort Worth, TX 76102. The Bankruptcy Court will also consider final approval of the Disclosure Statement at the Confirmation Hearing. Any objection to confirmation of the Plan or final approval of the Disclosure Statement must be made in writing, and such written objection must be filed with the Bankruptcy Court and served on the following parties by not later than [November 15], 2018, at 11:59 p.m. (prevailing Central Time):

Debtors' Counsel:
Miller Johnson
Attn: David A. Hall
45 Ottawa Ave. SW, Suite 1100
P.O. Box 306
Grand Rapids, MI 49501-0306

Debtors:
Chip Hoebeke, CPA, CIRA
Director
Rehmann Turnaround and Receivership
2330 East Paris Ave SE
Grand Rapids, MI 49516

United States Trustee:
Erin Schmidt
Trial Attorney
Office of the United States Trustee
1100 Commerce Street Room 976
Dallas, Texas 75242

UNLESS AN OBJECTION TO CONFIRMATION OR TO FINAL APPROVAL OF THE DISCLOSURE STATEMENT IS TIMELY FILED AND SERVED, IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

B. Requirements for Confirmation of the Plan

At the Confirmation Hearing, the Bankruptcy Court will determine whether the confirmation requirements of Bankruptcy Code § 1129(a) have been satisfied. Only if all such requirements are satisfied, and all other conditions to confirmation set forth in the Plan are met, will the Bankruptcy Court enter an Order confirming the Plan under Bankruptcy Code § 1129(a). The requirements of Bankruptcy Code § 1129(a) applicable to a corporate debtor are as follows:

1. The plan complies with the applicable provisions of the Bankruptcy Code.

2. The proponent of the plan complies with the applicable provisions of the Bankruptcy Code.

3. The plan has been proposed in good faith and not by any means forbidden by law.

4. Any payment made or to be made by the proponent, by the debtor, or by a person issuing securities or acquiring property under the plan, for services or for costs and expenses in or in connection with the case, or in connection with the plan and incident to the case, has been approved by, or is subject to the approval of, the court as reasonable.

5. The proponent of the plan has disclosed:

a. the identity and affiliations of any individual proposed to serve, after confirmation of the plan, as a director, officer, or voting trustee of the debtor, an affiliate of the debtor participating in a joint plan with the debtor, or a successor to the debtor 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; and

a. the identity of any insider that will be employed or retained by the reorganized debtor, and the nature of any compensation for such insider.

6. Any governmental regulatory commission with jurisdiction, after confirmation of the plan, over the rates of the debtor has approved any rate change provided for in the plan, or such rate change is expressly conditioned on such approval.

7. With respect to each impaired class of claims or interests:

a. each holder of a claim or interest of such class (i) has accepted the plan, or (ii) will receive or retain under the plan on account of such claim or interest property of a value, as of the effective date of the plan, that is not less than the amount that such holder would so receive or retain if the debtor were liquidated under chapter 7 of this title on such date; or

b. if Bankruptcy Code § 1111(b)(2) applies to the claims of such class, each holder of a claim of such class will receive or retain under the plan on account of such claim property of a value, as

of the effective date of the plan, that is not less than the value of such holder's interest in the estate's interest in the property that secures such claims.

8. With respect to each class of claims or interests, such class has accepted the plan or such class is not impaired under the plan.

9. Except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that:

a. With respect to a claim of a kind specified in Bankruptcy Code §§ 507(a)(2) or 507(a)(3), on the effective date of the plan, the holder of such claim will receive on account of such claim cash equal to the allowed amount of such claim;

b. With respect to a class of claims of a kind specified in Bankruptcy Code §§ 507(a)(1), 507(a)(4), 507(a)(5), 507(a)(6), or 507(a)(7), each holder of a claim of such class will receive (i) if such class has accepted the plan, deferred cash payments of a value, as of the effective date of the plan, equal to the allowed amount of such claim, or (ii) if such class has not accepted the plan, cash on the effective date of the plan equal to the allowed amount of such claim;

c. With respect to a claim of a kind specified in § 507(a)(8) of the Bankruptcy Code, the holder of such claim will receive on account of such claim regular installment payments in cash (i) of a total value, as of the effective date of the plan, equal to the allowed amount of such claim, (ii) over a period ending not later than 5 years after the date of the order for relief under Bankruptcy Code §§ 301, 302, or 303, and (iii) in a manner not less favorable than the most favored nonpriority unsecured claim provided for by the plan (other than cash payments made to a class of creditors under Bankruptcy Code § 1122(b); and

d. With respect to a secured claim which would otherwise meet the description of an unsecured claim of a governmental unit under Bankruptcy Code § 507(a)(8), but for the secured status of that claim, the holder of that claim will receive on account of that claim, cash payments, in the same manner and over the same period, as prescribed in paragraph 9(c) above.

10. If a class of claims is impaired under the plan, at least one class of claims that is impaired under the plan has accepted the plan, determined without including any acceptance of the plan by any insider.

11. Confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is proposed in the plan.[3]

12. All fees payable under § 1930 of title 28, as determined by the court at the hearing on confirmation of the plan, have been paid or the plan provides for the payment of all such fees on the effective date of the plan.

13. The plan provides for the continuation after its effective date of payment of all retiree benefits, as that term is defined in Bankruptcy Code § 1114, at the level established pursuant to

[3] This is generally referred to as the "feasibility" requirement.

subsection (e)(1)(B) or (g) of § 1114, at any time prior to confirmation of the plan, for the duration of the period the debtor has obligated itself to provide such benefits.

14. If the debtor is required by a judicial or administrative order, or by statute, to pay a domestic support obligation, the debtor has paid all amounts payable under such order or such statute for such obligation that first become payable after the date of the filing of the petition.

If a sufficient number of claimants and amounts of claims in impaired classes under the plan vote to accept the plan, the plan will satisfy all of the applicable statutory requirements of Bankruptcy Code § 1129(a). In these Chapter 11 Cases, confirmation pursuant to Bankruptcy Code § 1129(a) is not possible because one or more classes is deemed to have rejected the Plan. **However, the Debtors believe that the Plan may be confirmed under the "cramdown" provisions of Bankruptcy Code § 1129(b), which are summarized in Section IV(C) below.**

C. Cramdown

Pursuant to Bankruptcy Code § 1129(b), the Bankruptcy Court may confirm the Plan at the request of the Debtors if: (i) all requirements of Bankruptcy Code § 1129(a), with the exception of § 1129(a)(8) (set out in subparagraph (B)(8) above), are met with respect to the Plan; (ii) at least one Class of Claims that is Impaired under the Plan has accepted the Plan (excluding the votes of insiders); and (iii) with respect to each Impaired Class that has not accepted the Plan, the Plan does not "discriminate unfairly" and is "fair and equitable."

A plan does not "discriminate unfairly" within the meaning of the Bankruptcy Code if the classification of claims under the plan complies with the Bankruptcy Code and no particular class will receive more than it is legally entitled to receive for its claims or interests.

"Fair and equitable" has a different meaning for classes of secured claims, classes of unsecured claims, and classes of equity interests, as described below:

1. With respect to a class of secured claims that rejects the plan, to be "fair and equitable" the plan must, among other things, provide:

a. that the holders of such claims retain the liens securing such claims, whether the property subject to such liens is retained by the debtor or transferred to another entity, to the extent of the allowed amount of such claims, and that each holder of a claim of such class receive on account of such claim deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the plan, of at least the value of such holder's interest in the estate's interest in such property; or

b. for the realization of such holders of the indubitable equivalent of such claims; or

c. for the sale, subject to Bankruptcy Code § 363(k), of any property that is subject to the liens securing such claims, free and clear of such liens, with such liens to attach to the proceeds of such sale, and the treatment of such liens on proceeds under (a) or (b) above.

2. With respect to a class of unsecured claims that rejects the plan, to be "fair and equitable" the plan must, among other things, provide:

a. that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or

b. that the holder of any claim or equity interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or equity interest any property.

3. With respect to a class of equity interests that rejects the plan, to be "fair and equitable" the plan must, among other things, provide:

a. that each holder of an equity interest of such class receive or retain on account of such equity interest property of a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled, or the value of such equity interest; or

b. that the holder of any equity interest that is junior to the interests of such class will not receive or retain under the plan on account of such junior equity interest any property.

If at least one impaired class of claims under the plan accepts the plan, the debtor may request the Bankruptcy Court confirm the plan in accordance with the cramdown provisions of Bankruptcy Code § 1129(b). **The Debtors believe that the Plan does not unfairly discriminate against and is fair and equitable in relation to each of the Classes, regardless of whether they may vote to accept or reject the Plan.**

V.
CLAIMS TREATMENT OVERVIEW

The Plan is designed to accomplish the orderly liquidation of the Debtors' assets and provide a mechanism for distributions to Creditors.

This section provides a summary of how Claims against and Interests in the Debtors are classified and treated under the Plan. THE DESCRIPTIONS SET FORTH BELOW ARE MERELY SUMMARIES AND, IF INCONSISTENT WITH THE PLAN, THE PLAN'S TERMS WILL GOVERN. ACCORDINGLY, PLEASE READ THE PLAN CAREFULLY.

a. Allowed Administrative Expense Claims, which are unclassified under the Plan and therefore not entitled to vote to accept or reject the Plan, on or as soon as practicable after the Effective Date, will receive payment in full in Cash, other treatment consistent with Bankruptcy Code §§ 1129(a)(9)(C) and 1129(a)(9)(D), or such other terms as agreed to among the Debtors and the Holders of such claims. Professional Fee Claims will be paid promptly after being approved by the Bankruptcy Court.

b. Allowed Priority Tax Claims, which are unclassified under the Plan and therefore not entitled to vote to accept or reject the Plan, on or as soon as practicable after the Effective Date or after becoming an Allowed Claim, will receive payment in full in Cash, other treatment consistent with Bankruptcy Code §§ 1129(a)(9)(C) and 1129(a)(9)(D), or such other terms as agreed to among the Debtors and the Holders of such claims.

c. Allowed Other Priority Claims, which are classified into Class 1 and are Unimpaired and therefore not entitled to vote to accept or reject the Plan, on or as soon as practicable after the Effective Date or after becoming an Allowed Claim, will receive payment in full in Cash, other treatment consistent with Bankruptcy Code §§ 1129(a)(9)(C) and 1129(a)(9)(D), or such other less favorable terms agreed to among the Debtors and Holders of such claims.

d. Allowed Other Secured Claims, which are classified into Class 2 and are Unimpaired and therefore not entitled to vote to accept or reject the Plan, on or as soon as practicable after the Effective Date or after becoming an Allowed Claim, will receive payment in full in Cash, plus interest to the extent required under Bankruptcy Code § 506(b), at the contract rate through the Effective Date and thereafter at the Federal Judgment Rate between the Effective Date and the Distribution Date, be Reinstated or receive such other treatment sufficient to render the Holder of such claim Unimpaired pursuant to Bankruptcy Code § 1124, or return of the applicable collateral in satisfaction of the Allowed amount of such Secured Claim.

e. The Platinum Prepetition Secured Claim, which is classified into Class 3 and is Impaired and therefore entitled to vote to accept or reject the Plan, will receive, in full satisfaction, release, settlement and discharge of such Claim, the Platinum Distribution.

f. Allowed General Unsecured Claims, which are classified into Class 4, are Impaired, shall be discharged on the Effective Date, will receive no distribution on account of such Allowed General Unsecured Claims, and are not entitled to vote and deemed to reject the Plan.

g. Allowed Interests, which are classified into Class 5, are Impaired, shall be extinguished on the Effective Date, will receive no distribution on account of such equity interests, and are not entitled to vote and deemed to reject the Plan.

VI.
BACKGROUND INFORMATION

A. The Debtors

Debtors are wholly-owned subsidiaries of Arabella Exploration, Inc., a Cayman Islands corporation ("AEI"). AEX is an oil and gas exploration company that owns working interests in a number of oil and gas properties and interests (the "Oil and Gas Assets") and other related assets. The Oil and Gas Assets include, among other things (i) leasehold interests in six operating wells (the "Operating Wells"), and (ii) leasehold interests in 13 non-operating wells. Until approximately June 2016, AO was the operator of the Operating Wells, at which time Founders Oil & Gas, LLC ("Founders") became the operator of the Operating Wells. Since that time, AO has had no meaningful operations.

The Operating Wells are operated by Founders pursuant to two Joint Operating Agreements dated September 5, 2012 and March 1, 2013, respectively (collectively, the "JOAs"). Originally, Arabella Petroleum Company, LLC ("APC") was the operator under the JOAs, followed by AO. Founders is the successor in interest to APC and AO. On or around June 1, 2016, Founders became the operator under the JOAs.

B. AEI - Cayman Proceedings and Chapter 15 Filing

On or about May 19, 2016, Platinum filed a Winding Up Petition against AEI in the Grand Court of the Cayman Islands ("Cayman Court"), in the Matter of the Companies Law (2013 Revision) (As Amended) and in the Matter of Arabella Exploration, Inc., Cause No. FSD 72 of 2016, RMJ (the "AEI Cayman Case").

On June 16, 2016, the Cayman Court entered its Order appointing Christopher Kennedy and Matthew Wright, of RHSW Caribbean, 2nd Floor, Windward 1, Regatta Office Park, P.O. Box 897, Grand Cayman, Cayman Islands, as Joint Provisional Liquidators (the "JPLs") of AEI.

On that same day, the JPLs terminated and removed the acting manager of the Debtors, and appointed Charles L. Hoebeke II (the "Manager") of Rehmann Turnaround and Receivership Group as the sole Manager of the Debtors. On January 24, 2017, the Bankruptcy Court authorized AEX to retain the Manager as Chief Restructuring Officer in these Chapter 11 Cases, and on May 3, 2017 the Bankruptcy Court authorized AO to retain the Manager as Chief Restructuring Officer in these Chapter 11 Cases.

On July 7, 2016, the Cayman Court entered a Winding Up Order in the AEI Cayman Case ("Winding Up Order"). Under the Winding Up Order, the Cayman Court appointed the JPLs as Joint Official Liquidators to wind up AEI with, among others, the powers set forth in Part II of Schedule 3 of the Cayman Islands' Companies Law (2013 Revision).

On the AEX Petition Date, AEI filed in this District a verified petition for recognition of a foreign main insolvency proceeding and application for additional relief pursuant sections 1504, 1509, 1515, 1517, 1520 and 1521 of the Bankruptcy Code (the "Chapter 15 Proceeding"). The Chapter 15 Proceeding is pending under Case No. 17-40119 - MXM.

C. Arabella Petroleum Company, LLC

APC is a Texas limited liability company formed on February 13, 2007. The Debtors and APC were each formed by Jason Hoisager ("Hoisager"). On July 10, 2015, APC filed a chapter 11 bankruptcy petition in the United States Bankruptcy Court for the Western District of Texas (Case No. 15-70098-RBK-11) (the "APC Bankruptcy Case"). On August 20, 2015, the bankruptcy court in the APC Bankruptcy Case entered an order appointing Morris D. Weiss (the "APC Trustee") as chapter 11 trustee in the APC Bankruptcy Case. On February 29, 2016, the APC Trustee filed an adversary complaint (Adv. No. 16-07002-rbk) (the "APC Trustee Litigation") in the APC Bankruptcy Case against, among others, the Debtors, AEI, Platinum and Hoisager, asserting eight counts consisting primarily of claims seeking avoidance of alleged fraudulent and preferential transfers, turnover of assets, and breach of fiduciary duty claims (the "APC Claims"). The APC Claims arose out of a series of alleged transfers from 2011 to 2015 of assets and cash from APC to third parties, including transfers of the Oil and Gas Assets to AEX. The APC Trustee Litigation, as described in further detail in Section VII(C) below, has been resolved as to certain parties thereto by agreement.

D. Platinum

The largest secured obligation of the Debtors consists of a secured guaranty given in connection with a $16,000,000 loan extended by Platinum to AEI on September 2, 2014 as part of a $45,000,000 credit facility by among Platinum and AEI (the "Platinum Loan"). The Platinum Loan was documented by the following documents, and any documents related thereto or therein (collectively, the "Loan Documents"):

(i) The Senior Secured Note Agreement dated September 2, 2014;

(ii) The Deed of Trust, Security Agreement, Assignment of Production, Financing Statement and Fixture Filing dated September 2, 2014;

(iii) The Security and Pledge Agreement dated September 2, 2014 between Platinum and AEI;

(iv) Those certain guarantees dated September 2, 2014 to Platinum by and from, among others, the Debtors; and

(v) The Securities Purchase Agreement dated September 2, 2014.

The Platinum Loan has been in default due to non-payment by AEI since on or around July 7, 2015. Platinum filed a Proof of Claim in these Chapter 11 Cases in the amount of $20,061,589.04. In the Mediation Settlement Agreement (defined in Section VII(C)(1)), the Debtors stipulated to the liens and claims of Platinum. Additionally, on July 27, 2017, Debtors filed and served a *Notice of Lien Challenge Bar Date* ("Lien Challenge Notice") to all other parties in interest in these Chapter 11 Cases regarding the deadline to file an objection or otherwise challenge the validity of Platinum's liens in Debtors' assets, as contemplated by the Mediation Settlement Order (defined in Section VII(C)(1) below). No objections were filed to the Lien Challenge Notice. The First Cash Collateral Order (defined in Section VII(B)(2) below) provides that Platinum has an allowed Claim in the amount of $20,061,589.04.

Following the arrest of certain of Platinum's executives, on December 19, 2016, the United States District Court for the Eastern District of New York entered its Order Appointing Receiver in case number 16-cv-6848(KAM)(VMS), pursuant to which the court appointed Bart Schwartz as receiver. On July 6, 2017, Mr. Schwartz was replaced as receiver by Melanie L. Cyganowski, who is now the current court appointed receiver for Platinum.

E. Founders

During the months of September and October 2016, Founders as operator of the Operating Wells submitted applications for expenditures for the installation of artificial lifts in certain of the Operating Wells pursuant to the JOAs. The portion of the expense attributable to AEX was approximately $611,000 (the "Outstanding Expenses"). AEX, experiencing considerable financial distress at the time, had no cash or cash flow and was unable to consent to such expenditures. Founders asserted that it was owed in excess of $3,000,000 as a result of five-hundred percent (500%) "non-consent" charges being applied to the Outstanding Expenses.

On December 2, 2016, Founders filed a lawsuit against the Debtors in the District Court of Reeves County, Texas, 143rd Judicial District (Cause No. 16-12-21781) based on nonpayment of the Outstanding Expenses and sought, among other remedies, to foreclose on AEX's working interests in the Operating Wells. The lawsuit was stayed upon the filing of these Chapter 11 Cases. On January 24, 2017, Founders filed its amended motion to lift the automatic stay in these Chapter 11 Cases to allow its foreclosure lawsuit to proceed, but ultimately withdrew the motion. On April 26, 2017, Founders filed an adversary proceeding against the Debtors in these Chapter 11 Cases (the "Founders Lawsuit")[4]. The Founders Lawsuit, as described in further detail in Section VII(C)(2) below, has been resolved by agreement of the parties.

VII.
SIGNIFICANT PLEADINGS FILED IN THE CHAPTER 11 CASE

During the course of these Chapter 11 Cases, various pleadings have been filed with the Bankruptcy Court. The following is a description of the more significant pleadings filed during the pendency of these Chapter 11 Cases to the extent not discussed elsewhere in this Disclosure Statement. For a comprehensive listing of the pleadings that have been filed in these Chapter 11 Cases, the docket should be reviewed, and relevant pleadings may be obtained from the Clerk's Office of the Bankruptcy Court or via the online PACER system at https://ecf.txnb.uscourts.gov/cgi-bin/login.pl.

A. Employment of Professionals

1. Debtors' Counsel

On March 3, 2017, the Bankruptcy Court entered an Order approving the appointment of Miller Johnson as attorneys for AEX on a general retainer basis [Docket No. 115]. On May 19, 2017, the Bankruptcy Court entered an Order approving the appointment of Miller Johnson as attorneys for AO on a general retainer basis [Docket No. 213].

On March 10, 2017, the Bankruptcy Court entered an Order approving the employment and retention of the Law Offices of Ray Battaglia, PLLC as local counsel for AEX on a general retainer basis [Docket No. 123]. On June 15, 2017, the Bankruptcy Court entered an Order approving the employment and retention of the Law Offices of Ray Battaglia, PLLC as local counsel for AO on a general retainer basis [Docket No. 229].

2. Debtors' Special Counsel

On March 10, 2017, the Bankruptcy Court entered an Order approving the appointment of Murphy Mahon Keffler Farrier, LLP as special oil and gas counsel for AEX [Docket No. 136], which Order was amended on June 28, 2017 to clarify the effective date of employment [Docket No. 236]. On June 12, 2017, the Bankruptcy Court entered an Order approving the appointment of Murphy Mahon Keffler Farrier, LLP as special oil and gas counsel for AO [Docket No. 228].

[4] Adversary Proceeding No. 17-04033, *Founders Oil & Gas III, LLC, et al. v. Arabella Exploration, LLC, et al.*

3. Debtors' Land Consultant and Oil and Gas Broker

On March 17, 2017, the Bankruptcy Court entered an Order approving the employment and retention of T2 Land Resources, LLC ("T2") as Land Consultant to the Debtors [Docket No. 132], to be paid pursuant to a "Fee Structure" which is set forth in detail in the application to employ T2 [Docket No. 88]. As Land Consultant, T2 performed various services for the Debtors, including, among other things, identifying, analyzing and marketing the Debtors' Oil and Gas Assets. In conjunction with the settlements with Founders, the Saulsbury Group Claimants and the Lynx Group Claimants (as defined and further described in Sections VII(C) and (D) below), and as contemplated in the Amended Bidding Procedures (as defined and further described in Section VII(D) below), Debtors agreed to terminate their employment of T2 and hire a new oil and gas broker, EnergyNet.com ("EnergyNet"). On August 13, 2018, Debtors filed a motion to terminate the employment of T2 [Docket No. 431] pursuant to certain settlement terms, which terms included, among other things, payment to T2 of a one-time, flat fee of $325,000 out of the proceeds from the sale of the Oil and Gas Assets in exchange for T2's waiver of its right to seek additional compensation from the Estates and exclusively market the Oil and Gas Assets. A *Consent Order Granting Debtors' Motion Pursuant to Bankruptcy Code § 105 and Bankruptcy Rule 9019 to Approve Termination of Employment of T2 Land Resources* was entered on September 12, 2018 [Docket No. 453] (the "T2 Consent Order"), which approved the motion.

On July 20, 2018, Debtors filed a *Debtors' Application for Entry of an Order Authorizing the Employment and Retention of EnergyNet.com, Inc. as Oil and Gas Broker* [Docket No. 417]. On August 2, 2018, the Bankruptcy Court entered an *Order Authorizing the Employment and Retention of EnergyNet.com, Inc. as Oil and Gas Broker* [Docket No. 427], authorizing the Debtors' employment and retention of EnergyNet as Debtors' oil and gas broker to assist in marketing and ultimately selling the Oil and Gas Assets.

4. Debtors' Chief Restructuring Officer.

Please see Section VI(B) above. After confirmation of the Plan, Charles L. Hoebeke II will continue to serve as the Manager and Chief Restructuring Officer of the Debtors. Such continued service is consistent with the interests of creditors and equity security holders and with public policy. *See* Bankruptcy Code § 1129(a)(5)(A).

B. Administration of the Estate

1. Commencement of the Chapter 11 Case

On January 8, 2017, AEX filed its voluntary petition for relief under chapter 11 of the Bankruptcy Code. On April 4, 2017, AO filed its voluntary petition for relief under chapter 11 of the Bankruptcy Code. On April 5, 2017, the Debtors filed their *Debtors' Motion for an Order Directing Joint Administration of their Chapter 11 Cases* [AEX Docket No. 138; AO Docket No. 6], which was granted on August 13, 2017 by the Bankruptcy Court's *Order Regarding Filing of Pleadings and Directing Joint Administration of Cases* [Docket No. 150].

2. Cash Collateral

On November 27, 2017, Debtors filed a *Motion for Final Order (a) Authorizing Debtors to Use Cash Collateral, and (b) Granting Adequate Protection* [Docket No. 279]. The motion drew various objections from interested parties, which were either resolved or overruled. An Order granting the motion was entered on January 3, 2018 [Docket No. 326], and an amended Order granting the motion was entered on January 12, 2018 [Docket No. 331] (the "First Cash Collateral Order") which, among other things, authorized the expenditure of $500,000 to pay administrative expenses.

On June 6, 2018, Debtors filed a *Motion for Second Final Order (a) Authorizing Debtors to Use Cash Collateral, and (b) Granting Adequate Protection* [Docket No. 381], seeking authority to, among other things, make certain payments to Founders pursuant to the Founders Settlement (as defined and described further in Section VII(C)(2) below). An Order granting the motion was entered on August 20, 2018 [Docket No. 436].

According to the last Monthly Operating Reports filed in these Chapter 11 Cases, the funds in the Estates currently total $1,280,447.00.

3. Bar Dates

On January 9, 2017, the Bankruptcy Court filed the *Notice of Chapter 11 Bankruptcy Case* [AEX Docket No. 4], which advised parties, among other things, that the last date on which Creditors could timely file Proofs of Claims in the AEX case was May 18, 2017 (the "AEX Bar Date"). On April 5, 2017, the Bankruptcy Court filed the *Notice of Chapter 11 Bankruptcy Case* [AO Docket No. 5], which advised parties, among other things, that the last date on which Creditors could timely file Proofs of Claims in the AO case was August 17, 2017 (the "AO Bar Date"). The AEX Bar Date and AO Bar Date apply to all Holders of Claims and Holders of Interests, but do NOT include Governmental Units or apply to Administrative Expense Claims, Administrative Tax Claims or Professional Fee Claims.

C. Material Claims and Litigation

1. The APC Trustee Litigation

In an effort to resolve the APC Claims asserted in the APC Trustee Litigation and to clear the way for a sale of the Oil and Gas Assets, on March 27 and 28, 2017, a number of parties with complex and strongly contested interests in the Debtors' Oil and Gas Assets, including, among others, (a) AEX and AO, (b) APC and the APC Trustee, (c) the official committee of unsecured creditors appointed in the APC Bankruptcy Case, (d) AEI, and (e) Bart Schwartz, previous receiver for Platinum, each took part in a mediation conducted by United States Bankruptcy Judge H. Christopher Mott, sitting in the United States Bankruptcy Court for the Western District of Texas, Austin Division. The primary impetus behind the mediation was to resolve and settle the APC Claims. The mediation resulted in the parties entering into a Mediation Settlement Agreement dated March 28, 2017. In general, the Mediation Settlement Agreement, among other things, resolved the APC Claims as to the settling parties and established a formula for Debtors and APC to share in the proceeds from the sale or other monetization of assets. The Mediation Settlement Agreement did not become effective until it was approved by four separate courts. In that regard,

the Bankruptcy Court entered an Order approving the Mediation Settlement Agreement on May 5, 2017 [Docket No. 197] (the "Mediation Settlement Order"), and has been approved by the other courts. The Mediation Settlement Agreement became fully effective on July 10, 2017.

2. The Founders Lawsuit

On April 26, 2017, Founders filed the Founders Lawsuit. The parties to the Founders Lawsuit, and other related parties, attempted to mediate the claims and counterclaims in the Founders Lawsuit on October 13, 2017 in Austin, Texas. Subsequent to the mediation, the parties to the Founders Lawsuit, and other related parties, reached agreement to settle the Founders Lawsuit. On June 6, 2018, Debtors filed a *Debtors' Motion Pursuant to Section 105 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 9019 to Approve Settlement Agreement* [Docket No. 382]. An expedited hearing on the motion occurred on June 20, 2018, at which time the Bankruptcy Court granted the relief requested. On June 28, 2018, the Bankruptcy Court entered an Order [Docket No. 406] approving the settlement of the Founders Lawsuit (the "Founders Settlement"), thereby clearing the path to a sale process that had Founders' support subject to the provisions and conditions of the settlement. As part of the Founders Settlement, the Debtors agreed to hire a "consensus" broker to market and sell its assets, who would replace T2 as broker (see Section VII(A)(3)).

3. The M&M Lien Avoidance Action

On August 31, 2018, after completing significant research regarding the Debtors' Oil and Gas Assets and various asserted liens and encumbrances appearing of record regarding same, Debtors filed a *Complaint and Request for Declaratory Judgment to Determine the Extent, Validity and Priority of Certain Liens on the Debtors' Oil and Gas Properties* [Docket No. 445] (the "Complaint") against 35 parties, seeking to set aside various mechanics and materialman (and other) liens in the Debtors' Oil and Gas Assets. The "M&M Lien Avoidance Action", Case No. 18-04150-rfn, is currently pending. Defendants CMA Welding and Construction, Inc., Pipe Pros, LLC and Redback Coil Tubing LLC filed answers to the Complaint, and defendant Sooner Pipe, L.L.C. filed a motion to dismiss the Complaint. Debtors' claims against these defendants are subject to ongoing litigation. Defendants Baker Hughes, a GE Company, LLC, Cobra Downhole Motors, Inc., Culberson Construction, LLC, Patterson-UTI Drilling Company LLC, f/k/a Nomac Drilling, LLC, C&J Spec-Rent Services, Inc. f/k/a O-Tex Pumping, LLC and Universal Pressure Pumping, Inc. have requested to be amicably dismissed from the M&M Lien Avoidance Action because they concede they have no unsatisfied or existing liens in the Oil and Gas Assets, and Debtors are either negotiating or have already filed consent orders dismissing such defendants from the M&M Lien Avoidance Action. Defendants Crossfire LLC, Jet Specialty, Inc. and Strike, LLC requested and were granted extensions to answer the Complaint until October 19, 2018 by the Debtors. The remaining defendants did not file answers to the Complaint and the Debtors are seeking default judgments against them. The alleged lien amounts asserted by the defendants who have responded to the Complaint, or who have been granted extensions to answer the Complaint, are as follows:

CMA Welding and Construction, Inc.	Complaint says $160,532.49 (Public records show $106,082.77)

Crossfire LLC	Public records show $168,947.92
Jet Specialty, Inc.	Claimant asserts $650,555.93 (plus post-petition interest and fees as allowed by § 506(b))
Pipe Pros, LLC	Complaint says $208,364.75 (consistent with public records)
Redback Coil Tubing LLC	Public records show $197,795.34
Sooner Pipe, L.L.C.	Secured amount claimed in Proof of Claim $725,593.26
Strike, LLC	Public records show $272,500

A post-363 Sale (defined in Section VII(D)(4) below) reserve will be established for the potential payment of these claims if not set aside prior to the 363 Sale. Similarly, the Plan provides for a reserve for holders of Allowed Administrative Expense Claims (including approved Professional Fee Claims) and Allowed Other Priority Claims. No statutory lien claims have been asserted other than those that are the subject of the M&M Lien Avoidance Action.

4. The Sooner Pipe Claim Objection

On July 31, 2018, Debtors filed a *Debtors' Objection to Proof of Claim No. 17 filed by Sooner Pipe, LLC* [Docket No. 424] ("Objection"), arguing that, for various reasons, Sooner is not entitled to a secured or unsecured claim in these Chapter 11 Cases. A hearing on the Objection occurred on September 11, 2018, at which time counsel for Debtors and Sooner introduced various evidence and made arguments. The Bankruptcy Court took the matter under advisement, but invited Debtors and Sooner to file post-hearing briefs. On September 18, 2018, Debtors filed their post-hearing brief in support of the Objection [Docket No. 456], and on September 28, 2018 Sooner filed its post-hearing brief opposing the Objection [Docket No. 460]. On October 16, 2018, the Bankruptcy Court denied the Objection.

5. Other Claim Objections

Debtors anticipate filing other objections in the near-term in regards to certain Proofs of Claims of record.

D. Asset Sales and Settlements

1. Marketing of Oil and Gas Assets

Both T2 and EnergyNet set up "data rooms" which contained marketing and other materials regarding the Oil and Gas Assets, and otherwise marketed the Oil and Gas Assets to hundreds of potential purchasers. As a result of the marketing efforts of T2 and EnergyNet, in excess of

325 potential purchasers expressed interest in the Oil and Gas Assets by accessing the data room, and eleven submitted offers to purchase the Oil and Gas Assets.

2. Tag Along Sales

On January 24, 2017, the APC Trustee filed a *Motion to Approve and Ratify Actions by Trustee in the APC Case* (the "Trustee Tag-Along Motion"), seeking the APC bankruptcy court's approval of his exercise of tag-along rights associated with certain back-in interests in operating wells operated by (i) Samson Exploration, LLC and (ii) Brigham Resources Operating, LLC (collectively, the "APC Tag-Along Rights"). An agreed Order approving the Trustee Tag-Along Motion was entered in the APC Bankruptcy Case on January 31, 2017, which authorized the APC Trustee to exercise the APC Tag-Along Rights. On February 3, 2017, AEX filed a *Motion to (A) Approve and Ratify Exercise of Tag-Along Rights or in the Alternative Assume Tag-Along Letter and (B) Approve and Ratify Exercise of Lease Acquisition Offering* (the "AEX Tag-Along Motion") [Docket No. 67], seeking the Bankruptcy Court's approval of AEX's exercise of two tag-along options regarding interests in certain wells operated by Brigham Resources Operating, LLC and Brigham Midstream, LLC (the "AEX Tag-Along Rights"). On February 17, 2017, the Bankruptcy Court entered an Order granting the AEX Tag-Along Motion [Docket No. 97], which authorized AEX's exercise of the AEX Tag-Along Rights. Proceeds of the sale were shared between AEX and APC pursuant to the Mediation Settlement Agreement, and AEX received in excess of $1.4 million from the sale.

On September 21, 2017, Debtors filed a *Motion to Approve Sale of Certain of the Debtors' Interests in Oil and Gas Properties, Rights, and Related Assets Free and Clear of All Liens, Claims Interests and Encumbrances* [Docket No. 262] (the "Tag-Along Sale Motion"), seeking approval of the sale of certain Brigham tag-along assets to Diamondback E&P LLC. The Debtors attended a hearing on the Tag-Along Sale Motion and negotiated resolutions of various objections to the Tag-Along Sale Motion. An Order approving the Tag-Along Sale Motion was entered on October 16, 2017 [Docket No. 271], and the sale closed shortly thereafter.

3. Energen Sale

On March 8, 2018, Debtors filed a *Motion to Approve Sale of Certain of the Debtors' Interests in Oil and Lands, Leases, Wells and Related Assets Free and Clear of All Liens, Claims, Interests and Encumbrances subject to Higher and Better Offers* [Docket No. 341] regarding certain of its Oil and Gas Assets located in Reeves County. The motion drew interest from various prospective bidders and objections from interested parties. A hearing occurred on April 9, 2018, at which time Debtors secured approval of the sale to Energen Resources Corporation ("Energen"). On April 10, 2018, the Bankruptcy Court entered an Order approving the motion and sale to Energen [Docket No. 354]. Proceeds of the sale were shared between AEX and APC pursuant to the Mediation Settlement Agreement, and AEX received $120,890.00 from the sale.

4. Sale of Substantially All Assets of Debtors and Bidding Procedures

On February 2, 2017, Debtors filed a *Motion, pursuant to Bankruptcy Code Sections 105(a), 363, and 365, and Bankruptcy Rules 2002, 6004, and 6006, for Entry of an Order (A) Approving Sale and Bidding Procedures in Connection with Sale of Assets of the Debtor, (B) Authorizing the Sale*

of Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, and (C) Granting Related Relief ("Sale Motion"), seeking approval of certain procedures for the sale of substantially all of Debtors' assets, and ultimately, approval of the sale of substantially all of Debtors' assets (the "363 Sale"). The Sale Motion was approved by an Order of the Bankruptcy Court dated May 5, 2017 [Docket No. 195], which sets forth the marketing, bid, and auction procedures the Debtors intended to employ to sell substantially all of their Oil and Gas Assets.

The dates associated with the sale process were adjourned since August 10, 2017 pending resolution of the Founders Lawsuit, which had created a significant cloud on title to the key Oil and Gas Assets and had a negative impact on the sale in the marketplace. As described above, by Order dated June 28, 2018, the Bankruptcy Court approved the Founders Settlement, clearing the path to a sale process that Founders supported.

Additionally, the Debtors along with APC reached agreement with certain holders of working interests in the Operating Wells – the Saulsbury Group Claimants and Lynx Group Claimants, as defined and further described in Section VII(D)(5) below – to resolve Proofs of Claims and participate in the sale. The Saulsbury Group Claimants and Lynx Group Claimants, who collectively own a material percentage of working interests in the Operating Wells alongside the Debtors, agreed to market their working interests jointly with the Debtors' working interests and participate in the sale. As part of that agreement, the Debtors agreed to jointly develop bid procedures as a condition to their participation.

On July 3, 2018, Debtors filed a *Debtors' Motion to Amend Sale and Bidding Procedures in Connection with the Sale of Assets of the Debtors and Granting Related Relief* [Docket No. 408] ("Motion to Amend"), seeking the approval of amended sale and bidding procedures ("Amended Bidding Procedures"). On July 30, 2018, the Court conducted a hearing to consider the Motion to Amend, at which time Debtors and other interested parties appeared. On July 31, 2018, the Court entered an Order granting the Motion to Amend [Docket No. 423]. Debtors thereafter noticed the Amended Bidding Procedures and related pleadings on all interested parties in these Chapter 11 Cases. After a fulsome marketing process of the Oil and Gas Assets performed by EnergyNet, Debtors received eleven Qualified Bids (as that term is defined in the Amended Bidding Procedures), and accepted the Qualified Bid of Jagged Peak Energy LLC ("Jagged Peak") for the sale of AEX's working interest in the Jackson well leasehold. A Notice of Winning Bidders and Related Sale Documents was filed on October 9, 2018 [Docket No. 465], which included the Jagged Peak purchase and sale agreement and proposed sale order. Objections to the 363 Sale, including the transaction contemplated with Jagged Peak, were due on or before October 12, 2018. A hearing on approval of the sale to Jagged Peak took place on October 16, 2018, at which time the Bankruptcy Court approved the sale. The stated purchase price is $1,443,952.00, which is subject to reduction based on the terms of the purchase and sale agreement, and is subject to sharing between AEX and APC pursuant to the Mediation Settlement Agreement. The sale to Jagged Peak is expected to close in the coming weeks.

With respect to the other Oil and Gas Assets, as of the date hereof, the Debtors are still in active negotiations with interested parties and expect to announce to the Bankruptcy Court and parties in interest the winning bidder with respect to these assets. The Bankruptcy Court has scheduled a hearing on October 26, 2018 to consider approval of the second asset sale.

5. Non-Op Settlements

On July 16, 2018, Debtors filed a *Motion Pursuant to Section 105 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 9019 to Approve Settlement Agreement* [Docket No. 413] ("Lynx Settlement Motion"), seeking approval of a Settlement Agreement by and between (i) the Debtors, (ii) APC and the APC Trustee, (iii) the official committee of unsecured creditors appointed in the APC Bankruptcy Case, and (iv) Lynx Production Company, Inc., Delaware Basin Resources, LLC, EWD Permian, Ltd., Danakil Exploration, Ltd., Petro-Seay, LLC, Archer Oil & Gas, LLC, Larry Bartlett, LB Producers, LLC, BDV Investments, LLC, Melinda Brown, Lisa Burnett, Cavalier Wahoo, LLP, Drilling Acquisitions, LLC, EHI, LLC, Royce Fletcher, Bradford G Davis, Sooner Oil, LLC, Macfarlane Arabella, LLP, Dolores McCall, Box Six Seven Four, L.C., Evan Energy Investments, LC and Craig L. Massey (the "Lynx Group Claimants") (collectively, the "Lynx Non-Op Settlement"). As part of the Lynx Non-Op Settlement, the Lynx Group Claimants agreed to participate in the 363 Sale, the joint interest billings claims allegedly owed by the Lynx Group Claimants to APC and AO were settled, and Debtors agreed to hire a "consensus" broker to market and sell the Oil and Gas Assets. By Order dated August 14, 2018 [Docket No. 433], the Lynx Non-Op Settlement Motion was approved.

On August 16, 2018, Debtors filed a *Debtors' Motion Pursuant to Section 105 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 9019 to Approve Settlement Agreement* [Docket No. 434] ("Saulsbury Settlement Motion"), seeking approval of a Settlement Agreement by and between (i) the Debtors, (ii) APC and the APC Trustee, (iii) the official committee of unsecured creditors appointed in the APC Bankruptcy Case, and (iv) BOG Resources, LP, JAM Oil & Gas, LP, M&J Assets, Inc., SAGO Energy, LP, The Dianne Zugg Revocable Trust dba ZOG Energy, and Wilson Safari Investment Partners, LP (the "Saulsbury Group Claimants") (collectively, the "Saulsbury Non-Op Settlement"). As part of the Saulsbury Non-Op Settlement, the Saulsbury Group Claimants agreed to participate in the 363 Sale, the Proofs of Claims filed by the Saulsbury Group Claimants in these Chapter 11 Cases were resolved, and the joint interest billings claims allegedly owed by the Saulsbury Group Claimants to APC and/or AO and revenues owing to the Saulsbury Group Claimants under the JOAs were settled. An Order approving the Saulsbury Settlement Motion entered on September 12, 2018 [Docket No. 454].

VIII.
SYNOPSIS OF SIGNIFICANT CHAPTER 11 PLAN PROVISIONS

A. Unclassified Claims

In accordance with Bankruptcy Code § 1123(a)(l), Administrative Expense 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 of the Plan. These unclassified Claims are treated as follows:

1. Administrative Expense Claims

Each Holder of an Allowed Administrative Expense 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 Allowed Administrative Expense Claim, (i) payment in full in Cash, (ii) other

treatment consistent with Bankruptcy Code §§ 1129(a)(9)(C) and 1129(a)(9)(D) or (iii) such other terms as agreed to among the Debtors and the Holders thereof.

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 in the Plan) shall be paid by the Reorganized Debtors promptly after being approved by the Bankruptcy Court.

2. Priority Tax Claims

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

3. Bar Dates for Certain Claims

Administrative Expense Claims. Except as provided in Section 2.03(b) or 2.03(c) of the Plan, the Bar Date for filing all Administrative Expense Claim will be the date that is twenty (20) days after the Effective Date (such date, the "Administrative Expense Claims Bar Date"). Holders of asserted Administrative Expense Claims, other than Professional Fee Claims and claims for U.S. Trustee fees under 28 U.S.C. § 1930, must submit proofs of Administrative Expense Claims on or before such Administrative Expense Claims Bar Date or forever be barred from doing so. Within two (2) business 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.

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 applicable 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) thirty (30) 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 thirty (30) days after the taxing authority files and serves its Claim.

Professional Fee Claims. All final requests for compensation or reimbursement of Professional fees pursuant to Bankruptcy Code §§ 327, 328, 330, 331, 363, 503(b) or 1103 (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.

4. Payment of Statutory Fees

All fees payable pursuant to 28 U.S.C. §1930(a) shall be paid by the Debtors or Reorganized Debtors, as applicable, for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed or a final decree is issued, whichever occurs first. The Reorganized Debtors shall continue to file quarterly-post confirmation operating reports in accordance with the United States Trustee's Region 6 Guidelines for Chapter 11 Cases.

B. Classification of Claims and Interests and Acceptance Requirements

The categories of Claims and Interests set forth in the Plan classify Claims and Interests for all purposes, including for purposes of voting, confirmation, and distribution pursuant to the 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 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 before the Effective Date.

All Claims (except for Administrative Expense Claims and Priority Tax Claims, which are not classified pursuant to Bankruptcy Code § 1123(a)(l)) are classified in Section 4.01 through Section 4.05 of the Plan.

1. Voting; Presumptions

Acceptance by Impaired Classes. Each Impaired Class of Claims that will (or may) receive or retain property or any interest in property under the Plan shall be entitled to vote to accept or reject the Plan. An Impaired Class of Claims shall have accepted the 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 the 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 the Plan.

Voting Presumptions. Claims in Unimpaired Classes are conclusively deemed to have accepted the Plan pursuant to Bankruptcy Code § 1126(f) and, therefore, are not entitled to vote to accept or reject the Plan. Claims and Interests in Classes that do not entitle the Holders thereof to receive

or retain any property under the Plan are conclusively deemed to have rejected the Plan pursuant to Bankruptcy Code § 1126(g) and, therefore, are not entitled to vote to accept or reject the Plan.

2. Cram Down – Nonconsensual Confirmation

The Proponents are requesting Confirmation of the Plan under Bankruptcy Code § 1129(b). The Proponents 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.

3. 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 the Plan; (b) entitled to vote to accept or reject the Plan in accordance with Bankruptcy Code § 1126; and (c) deemed to accept or reject the Plan.

Class	Type of Allowed Claim or Interest	Impairment	Entitled to Vote
--	Administrative Expense Claims	Unclassified	Not entitled to vote on the Plan
--	Priority Tax Claims	Unclassified	Not entitled to vote on the Plan
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	Platinum Prepetition Secured Claims	Impaired	Entitled to vote on the Plan
4	General Unsecured Claims	Impaired	Not entitled to vote; deemed to reject the Plan
5	Interests	Impaired	Not entitled to vote; deemed to reject the Plan

C. Treatment of Claims and Interests

1. 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, (ii) other treatment consistent with Bankruptcy Code §§ 1129(a)(9)(C) and 1129(a)(9)(D) or (iii) such other less favorable terms agreed to among the Debtors and Holders thereof.

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

2. 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 (i) payment in full in Cash, plus interest to the extent required under Bankruptcy Code § 506(b), at the contract rate through the Effective Date and thereafter at the Federal Judgment Rate between the Effective Date and the Distribution Date, (ii) be Reinstated or receive such other treatment sufficient to render the Holder of such Claim Unimpaired pursuant to Bankruptcy Code § 1124 or (iii) the return of the applicable collateral in satisfaction of the Allowed amount of such Secured Claim.

Notwithstanding the above, statutory Liens subject to the adversary complaint filed in the pending adversary proceeding, case no. 18-04150 before the Bankruptcy Court, and any other Liens securing Other Secured Claims, will be preserved and shall receive no distribution from their respective Debtor until a final determination on the priority of such Liens has been rendered by the Bankruptcy Court, unless such determination has already been made pursuant to a previous final order of the Bankruptcy Court. Upon the Bankruptcy Court's determination of priority, any Liens determined to be Junior Statutory Liens will be automatically released and discharged pursuant to the Plan without the need for any further action by the Debtors or Reorganized Debtors. The Liens securing the Allowed Class 2 Other Secured Claims are preserved and will be released and discharged only after the Allowed Other Secured Claims secured by such Liens are paid, satisfied or discharged in full as required under the Plan or as otherwise permitted under applicable non-bankruptcy law. Holders of Senior Statutory Liens shall retain all rights and remedies under Chapter 56 of the Texas Property Code and other applicable nonbankruptcy law if Debtors fail to comply with the requirements under the Plan.

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

3. Platinum Prepetition Secured Claims

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

Treatment: Platinum, on or as soon as practicable after the Effective Date, or at such later date if Cash remains after payment of all Claims entitled to receive distributions under this Plan, shall receive, in full satisfaction, release, settlement, and discharge of such Claim, the Platinum Distribution. To the extent that any Cash reserved on the Effective Date to pay holders of Allowed Administrative Expense Claims (including approved Professional Fee Claims), Allowed Priority Tax Claims, Allowed Other Priority Claims and Allowed Other Secured Claims remains after payment of all such Allowed Claims, the Debtors shall make a distribution of all such excess Cash

reserves to Platinum. All Unclaimed Property (described in Sections 6.03 and 6.04 of the Plan) shall be distributed to Platinum.

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

4. General Unsecured Claims

Classification: Class 4 consists of all Allowed General Unsecured Claims against the Debtors.

Treatment: On the Effective Date, all Allowed General Unsecured Claims shall be discharged and holders thereof shall receive no distribution on account of such Allowed General Unsecured Claims.

Voting: Claims in Class 4 are Impaired. Each Holder of an Allowed General Unsecured Claim shall be deemed to reject the Plan under Bankruptcy Code § 1126(g) and therefore shall not be entitled to vote to accept or reject the Plan.

5. Interests

Classification: Class 5 consists of all Allowed Interests in the Debtors.

Treatment: On the Effective Date, all existing equity interests in the Debtors shall be extinguished and owners thereof shall receive no distribution on account of such equity interests.

Voting: Interests in Class 5 are Impaired. Each holder of an Allowed Interest shall be deemed to reject the Plan under Bankruptcy Code § 1126(g) and therefore shall not be entitled to vote to accept or reject the Plan.

D. Means for Implementation of the Plan and Post Effective Date Governance

1. Date of Plan Distributions on Account of Allowed Claims

Except as otherwise specifically provided in the Plan, any distributions and delivery to be made under the Plan shall be made on the Effective Date or as soon as practicable thereafter. In the event that any payment or act under the 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.

2. Sources of Cash for Plan Distributions

Except as otherwise specifically provided in the Plan or Confirmation Order, all payment required to be made under the Plan shall be made from the Debtors' or the Reorganized Debtors' Cash or Cash Equivalents on hand.

3. Operations 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 in the Plan or Confirmation Order.

4. Restructuring Transactions

On or as soon as practicable after the Effective Date, the Reorganized Debtors will be 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 the Plan, including, without limitation: the execution and delivery of appropriate agreements or other documents of restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of the Plan, and that satisfy the requirements of applicable law and any other terms to which the applicable Entities may agree.

5. 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, (i) the Platinum Prepetition Secured Guarantees, 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) any certificate or other instrument or document directly or indirectly evidencing, convertible into, or creating any Interest in the Debtors 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, Interests in the Debtors, 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 the Plan. For the avoidance of doubt, nothing in Section 5.05 of the Plan 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 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. Nothing in the Plan shall be deemed a release of any rights or remedies that Platinum may have against Arabella Exploration, Inc. under the Platinum Prepetition Secured Facility or otherwise.

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*.

6. Intercompany Claims

No separate distributions shall be made under the Plan on account of prepetition Intercompany Claims, and such Claims shall be extinguished or compromised (by distribution, contribution, or otherwise) on or after the Effective Date.

7. Dissolution of the Debtors; Continued Corporate Existence and Vesting of Assets

The Debtors shall have no assets or operations, and shall liquidate as soon as practicable thereafter 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 Debtors' board of directors or shareholders. All property of the Debtors' Estates to be retained under the Plan shall be transferred on the Effective Date, without the necessity of any other or further action, to the Reorganized Debtors.

Except as otherwise provided in the Plan, each Debtor 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 it is incorporated or organized and pursuant to such Reorganized Debtor's 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 Debtor's organizational documents, as such Reorganized Debtor may determine is reasonable and appropriate.

Except as otherwise provided in the Plan, 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.

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 without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, subject

only to those restrictions expressly imposed by the Plan or Confirmation Order as well as the documents and instruments executed and delivered in connection therewith. 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.

8. Retention of Causes of Action

As of the Effective Date, all Causes of Action shall vest exclusively in the Reorganized Debtors. In accordance with Bankruptcy Code § 1123(b), the Reorganized Debtors shall retain all Causes of Action, if any, of the Debtors. Nothing contained in the Plan or 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 the Plan. The Reorganized Debtors retain, reserve, and shall be entitled to assert or dispose of, or transfer, all 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 the Plan may be asserted, disposed of, or transferred 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, as applicable, will not pursue any and all available Causes of Action against such Person. The Debtors and the Reorganized Debtors, as applicable, expressly reserve all rights to prosecute any and all Causes of Action 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, transfer, dispose of, 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 Estates for the purpose of prosecuting any Claim or Cause of Action and any objections to Claims pursuant to Bankruptcy Code § 1123(b)(3)(B).

9. Claims Incurred After the Effective Date

Claims incurred by the Reorganized Debtors after the Effective Date shall not be the obligation of the Debtors, nor are such claims entitled to any treatment under this Plan. Any obligations of the Reorganized Debtors incurred after the Effective Date may be paid by the Reorganized Debtors in the ordinary course of business and without application for or Bankruptcy Court approval.

10. 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 the Debtors or of the Reorganized Debtors, whether taken prior to or as of the Effective Date, shall each be authorized and approved in all respects, without requirement of further action by any of the Debtors' or Reorganized Debtors' boards of directors or managers, as applicable.

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.

The authorizations and approvals contemplated by Section 5.10 of the Plan shall be effective notwithstanding any requirements under non-bankruptcy law.

11. Effectuating Documents

The Manager and Chief Restructuring 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 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 the Plan.

12. Exemption from Certain Transfer Taxes

Pursuant to Bankruptcy Code § 1146(a), the issuance, transfer, or exchange of a security 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 Person or Entity pursuant to the 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.

13. 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.

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 be paid to such Person and decline to make such distribution until the requested 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 the Plan.

E. Provisions Governing Distributions Generally

1. Disbursing Agent

Plan Distributions. Except as otherwise provided in the Plan, all distributions under the Plan, shall be made by the Disbursing Agent on the Effective Date or as soon as practicable thereafter. To the extent the Disbursing Agent is the Reorganized Debtors, 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.

2. Method of Cash Distributions

Any Cash payment to be made pursuant to the 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, as applicable.

3. 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 until such Plan Distributions are claimed. All claims for undeliverable Plan Distributions must be made on or before thirty (30) after the Effective Date or allowance of such claim, 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.

4. Failure to Negotiate Checks

Checks issued in respect of distributions under the 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 thirty (30) days 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 and the Disbursing Agent, as applicable.

5. Fractional Dollars

Notwithstanding any other provision of the 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 up.

6. Cash Reserve

Sufficient Cash shall be reserved by the Debtors on the Effective Date to pay holders of Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Other Priority Claims and Allowed Other Secured Claims (including Statutory Liens subject to the adversary complaint filed in the pending adversary proceeding, case no. 18-04150, before the Bankruptcy Court which are either unresolved or determined by Final Order of the Bankruptcy Court to be valid Statutory Liens) in accordance with the requirements of Article IV of the Plan.

7. 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.

8. Setoffs

Except for any Claim that is Allowed in an amount set forth in the Plan, the Debtors or the Reorganized Debtors 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 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.

9. Distribution Record Date

The Distribution Record Date shall be the 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 the Plan, there shall be no further changes in the record holders of such Claims or Interests. The Debtors and the Reorganized Debtors, 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.

F. Executory Contracts, Unexpired Leases, and Other Agreements

Except as otherwise provided in the Plan, or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan, as of the Effective Date, the Debtors shall be deemed to have rejected each executory contract and unexpired lease to which they are a party, unless such contract or lease (a) was previously assumed or rejected by the Debtors, (b) is the subject of a motion to assume or reject filed on or before the Confirmation Date or (c) is set forth in a schedule, as an executory contract or unexpired lease to be assumed or rejected, filed with the Bankruptcy Court. The Confirmation Order shall constitute an order of the

Bankruptcy Court under Bankruptcy Code § 365 approving the contract and lease assumptions or rejections described above, as of the Effective Date.

The Debtors shall file a list of proposed amounts of any Cure for each executory contract and unexpired lease to be assumed with the Bankruptcy Court and any party to such executory contract or unexpired lease shall have until one business day before the Confirmation Hearing to file an objection to the proposed Cure with the Bankruptcy Court. Any monetary amounts by which any executory contract and unexpired lease to be assumed under the Plan is in default shall be satisfied, under Bankruptcy Code § 365(b)(l), by the applicable Debtor on or before the Effective Date; provided, however, if there is a dispute regarding (i) the nature or amount of any Cure, (ii) the ability of a Reorganized Debtor or any assignee to provide "adequate assurance of future performance" (within the meaning of Bankruptcy Code § 365) under the contract or lease to be assumed, or (iii) any other matter pertaining to assumption, Cure shall occur following the entry of a Final Order of the Bankruptcy Court resolving the dispute and approving the assumption or assumption and assignment, as the case may be; provided, however, that the Debtors or the Reorganized Debtors may settle any dispute regarding the amount of any Cure without any further notice to or action, order or approval of the Bankruptcy Court. Failure to timely raise an objection to assumption of any executory contract or unexpired lease, including the proposed amount of any Cure, pursuant to the terms of the Plan shall bar any subsequent objection to assumption of any executory contract or unexpired lease, including any objection to the proposed amount of any Cure.

G. Procedures for Resolving Disputed, Contingent, and Unliquidated Claims

1. 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.

2. Objections to Claims

Authority. The Debtors, and after the Effective Date, the Reorganized Debtors, 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, 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, also shall have the right to resolve any Disputed Claim outside the Bankruptcy Court under applicable governing law.

Objection Deadline. As soon as practicable, but no later than the Claim Objection Deadline, the Debtors, and after the Effective Date, the Reorganized Debtors 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 in the Plan, however, shall limit the right of the Reorganized Debtors 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.

3. No Distributions Pending Allowance

Notwithstanding any other provision of the 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.

4. Distributions After Allowance

The Disbursing Agent shall make payments and distributions to each Holder of a Disputed Claim that has become an Allowed Claim and is entitled to a distribution in accordance with the provisions of the 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, to the extent permitted to a distribution hereunder, 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. On the Effective Date, the Debtors shall have established a Disputed Claim reserve fund and shall hold on deposit in such Disputed Claim reserve fund an amount sufficient to satisfy any Disputed Claim that, if such Disputed Claim becomes an Allowed Claim, would be entitled to recovery under the terms of the Plan, including, without limitation, Other Secured Claims secured by Senior Statutory Lien.

5. 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 the 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.

H. Conditions Precedent to Confirmation and Consummation of the Plan

1. 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 approving the Disclosure Statement as containing adequate information within the meaning of Bankruptcy Code § 1125, and such order shall have become a Final Order;

b. The Plan, including any exhibits, schedules, amendments, modifications or supplements thereto, shall have been filed in substantially final form; and

c. The Confirmation Order shall include, to the fullest extent permitted by applicable law, a finding of fact that the Proponents, 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.

2. Conditions Precedent to the Effective Date of the Plan

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

a. The Confirmation Order shall have been entered in form and substance reasonably acceptable to the Proponents and such order shall have become a Final Order;

b. The sale of substantially all assets of the Debtors shall have been approved by this Bankruptcy Court and a closing on the sale of substantially all assets of the Debtors shall have closed; and

c. 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 the Plan.

3. Substantial Consummation

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

4. Waiver of Conditions

Each of the conditions set forth in Section 9.01 or Section 9.02 of the Plan may be waived in whole or in part by the Proponents. The failure to satisfy or waive any condition to Confirmation or the Effective Date may be asserted by the Proponents regardless of the circumstances giving rise to the failure of such condition to be satisfied.

5. Revocation, Withdrawal, or Non-Consummation

The Proponents 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 Proponents 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; and (iii) 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.

I. Amendments and Modifications

The Proponents may alter, amend, or modify the Plan, the Plan Documents, or any Exhibits thereto under Bankruptcy Code § 1127(a) at any time before the Confirmation Date. 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, 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 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.

J. 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 the 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 the 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, including the sale of assets;

e. enter and enforce such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created in connection with the 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 the Plan, including disputes arising under agreements, documents or instruments executed in connection with the Plan;

g. consider any modifications of the 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 the 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 the Plan, the Disclosure Statement, and/or the Confirmation Order or any other contract, instrument, release, or other agreement or document created in connection with the 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 the 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 the 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.

K. Effect of the Plan on Claims and Interests

1. Compromise and Settlements

Except for any Avoidance Actions and Causes of Action of the Debtors that are being retained by the Reorganizing Debtors pursuant to Section 5.08 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 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, their Estates, Creditors, Holders of Interests and other parties in interest, and are fair, equitable and within the range of reasonableness.

2. Satisfaction of Claims

The rights afforded in the Plan and the treatment of all Claims and Interests therein 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, 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 as otherwise provided in the 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.

3. Term of Injunction or Stays

Unless otherwise provided, all injunctions or stays arising under or entered during the Chapter 11 Cases under Bankruptcy Code §§ 105 or 363, 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.

4. 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 AEX OR AO PETITION DATE, AS APPLICABLE, 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, 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 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.

5. Exculpation

THE EXCULPATED 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. ALL HOLDERS OF CLAIMS AND INTERESTS ARE ENJOINED FROM ASSERTING OR PROSECUTING ANY CLAIM OR CAUSE OF ACTION AGAINST ANY EXCULPATED PERSON FOR WHICH SUCH PARTY HAS BEEN EXCULPATED FROM LIABILITY PURSUANT TO THE PRECEDING SENTENCE.

6. Recoupment

Except as provided in the 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.

7. 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.

8. Good Faith

As of the Confirmation Date, the Proponents 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.

9. Protection against Discriminatory Treatment

Consistent with Bankruptcy Code § 525 and the Supremacy Clause of the U.S. Constitution, all Entities, including governmental units, 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.

IX.
RISK FACTORS

Holders of Claims in voting and non-voting Classes should consider carefully the risk factors described below, as well as all of the information contained in this Disclosure Statement, including the Exhibit hereto. These risk factors should not, however, be regarded as constituting the only risks involved in connection with the Plan and its implementation. See, e.g., Section XI for tax law considerations.

A. Plan Confirmation

There is no guarantee that the Plan will be confirmed. If the Plan, or a substantially similar plan, is not confirmed, the terms and timing of any plan of reorganization ultimately confirmed in these Chapter 11 Cases and the treatment of Claims and Interests will be unknown.

B. The Effective Date May Not Occur

The Plan provides that there are conditions precedent to the occurrence of the Effective Date. There is no guarantee as to the timing of the Effective Date. Additionally, if the conditions precedent to the Effective Date are not satisfied or waived, the Bankruptcy Court may vacate the Confirmation

Order. In that event, the Plan would be deemed null and void and the Debtors or any other party might propose or solicit votes on an alternative plan of reorganization that may not be as favorable to parties in interest as the Plan.

C. Allowance of Claims

This Disclosure Statement has been prepared based on preliminary information concerning filed Claims and the Debtors' books and records. The actual amount of Allowed Claims may differ from the Debtors' current estimates.

X.
COMPARISON OF PLAN TO ALTERNATIVES

A. Chapter 7 Liquidation

The most realistic alternative to the Plan is conversion of these Chapter 11 Cases from a case under chapter 11 of the Bankruptcy Code to a case under chapter 7 of the Bankruptcy Code. A chapter 7 case, sometimes referred to as a "straight liquidation," requires the liquidation of all of a debtor's assets by a chapter 7 trustee. The cash realized from liquidation is subject to distribution to creditors in accordance with Bankruptcy Code § 726. Whether a bankruptcy case is one under chapter 7 or chapter 11, allowed secured claims, allowed administrative claims, and allowed priority claims, unless subordinated pursuant to Bankruptcy Code § 510, are entitled to be paid in cash, in full, before unsecured creditors and equity interests receive anything. Thus, in a chapter 7 case, the recovery, if any, to creditors holding non-priority unsecured claims will depend on the net proceeds left in the estate after all of a debtor's assets have been reduced to cash and all claims of higher priority have been satisfied in full.

Chapter 7 liquidation adds an additional layer of expenses. As referenced above, conversion of a bankruptcy case to chapter 7 would trigger the appointment of a chapter 7 trustee who has the responsibility to monetize the debtor's assets. Pursuant to Bankruptcy Code §§ 326 and 330, the chapter 7 trustee will be entitled to reasonable compensation in relation to the level of disbursements made to creditors, as follows: (a) up to 25% of the first $5,000 disbursed; (b) up to 10% of the amount disbursed in excess of $5,000 but not in excess of $50,000; (c) up to 5% of any amount disbursed in excess of $50,000 but not in excess of $1,000,000; and (d) up to 3% of any amount disbursed in excess of $1,000,000. Additionally, the chapter 7 trustee will be entitled to retain his or her own professionals to assist in the liquidation and administration of the estate. The fees and expenses of such professionals, to the extent allowed, are also entitled to priority in payment as administrative claims. Chapter 7 administrative costs are entitled to priority in payment over chapter 11 administrative costs. Nevertheless, chapter 11 administrative costs continue to have priority over all other non-administrative priority claims and non-priority unsecured claims in the bankruptcy case.

The Debtors are opposed to conversion of these Chapter 11 Cases to chapter 7 of the Bankruptcy Code. Converting these Chapter 11 Cases to chapter 7 will lead to additional layers of fees and expenses for the reasons stated in the prior paragraph, and result in unnecessary delay in the winding up of the Debtors. The conversion to chapter 7 would result in the appointment of a trustee that has no experience or knowledge of the prior proceedings in these Chapter 11 Cases

or of the Debtors' business, their books and records and their Oil and Gas Assets. A substantial amount of time would be required in order for the chapter 7 trustee and the trustee's professionals to become familiar with the Debtors, their business operations, the assets and potential claims and causes of action to wind these Chapter 11 Cases up effectively.

Further, with respect to the "best-interest-of-creditors" test found in Bankruptcy Code § 1129(a)(7), the Debtors do not believe that Creditors would achieve a greater recovery under chapter 7 than they would receive under the Plan. The proceeds from the sale of the Oil and Gas Assets do not exceed the secured debt owed to Platinum. Meaning, in the context of either a chapter 11 or chapter 7 proceeding, general unsecured creditors will not receive a distribution from the Estates. Therefore, conversion of these Chapter 11 Cases to chapter 7 of the Bankruptcy Code provides no additional value to any parties in interest in these Chapter 11 Cases. Accordingly, the Debtors believe that the Plan satisfies the "best-interest-of-creditors" test.

B. Potential Return to Bankruptcy

The Bankruptcy Code conditions confirmation of a plan of reorganization on, among other things, a finding that it is not likely to be followed by the liquidation or the need for further financial reorganization of a debtor, "unless such liquidation or reorganization is proposed in the plan." The Plan is a plan of liquidation, and therefore the Debtors will be subject to an orderly wind-down upon confirmation of the Plan.

C. Alternative Plans

If the Plan is not confirmed, any other party in interest could undertake to formulate a different plan of reorganization. Such a plan of reorganization might involve reorganization and continuation of the business of the Debtors or the sale of the Debtors as a going concern. However, Debtors have no ongoing operations. Therefore, Debtors believe that the Plan, as described herein, enables Creditors to realize the best recoveries under the present circumstances.

D. Dismissal

The most remote alternative possibility is dismissal of these Chapter 11 Cases. Debtors have examined the possibility of a structured dismissal. However, Debtors believe the proposed Plan best comports with the tenants of the Bankruptcy Code, and provides a simple, efficient, and manageable means of liquidating and winding down the Debtors.

XI.
CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

A. Introduction

Implementation of the Plan may have federal, state, and local tax consequences to the Debtors and their Estates, as well as to Holders of Claims and Interests. No tax opinion has been sought or will be obtained with respect to any tax consequences of the Plan, and the following disclosure

does not constitute and is not intended to constitute either a tax opinion or tax advice to any Person.

This disclosure is provided for informational purposes only. Moreover, this disclosure summarizes only certain of the federal income-tax consequences associated with the Plan's confirmation and implementation and does not attempt to comment on all such aspects. Similarly, this disclosure does not attempt to consider any facts or limitations applicable to any particular Holder of a Claim or Interest that may modify or alter the consequences described below. This disclosure does not address state, local, or foreign-tax consequences or the consequences of any federal tax other than the federal income tax.

This disclosure is based on the provisions of the Internal Revenue Code of 1986, as amended (the "Tax Code"), the regulations promulgated thereunder, existing judicial decisions, and administrative rulings. In light of the expansiveness of such authorities, no assurances can be given that legislative, judicial, or administrative changes will not be forthcoming that would affect the accuracy of the discussion below. Any such changes could be material and could be retroactive with respect to the transactions entered into or completed prior to the enactment or promulgation thereof. Finally, the tax consequences of certain aspects of the Plan are uncertain due to a lack of applicable legal authority and may be subject to judicial or administrative interpretations that differ from the discussion below.

THEREFORE, HOLDERS OF CLAIMS OR INTERESTS ARE ADVISED TO CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES TO THEM AND TO THE DEBTORS OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES.

B. Federal Income-Tax Consequences to Creditors

In general, a Holder of a Claim should recognize gain or loss equal to the amount realized under the Plan in respect to its Claim less the amount of such Holder's basis in its Claim. Any gain or loss recognized in the exchange may be long-term or short-term capital gain or loss, or ordinary income or loss, depending on the nature of the Claim and the Holder, the length of time the Holder held the Claim and whether the Claim was acquired at a discount. If the Holder realizes a capital loss, its deduction of the loss may be subject to limitations under the Tax Code. The Holder's aggregate tax basis for any distribution received under the Plan generally will equal the amount realized. The amount realized by a Holder generally will equal the sum of the Distribution the Holder received less the amount (if any) allocable to Claims for interest.

C. Disclaimers

PERSONS CONCERNED WITH THE TAX CONSEQUENCES OF THE PLAN SHOULD CONSULT THEIR OWN ACCOUNTANTS, ATTORNEYS AND/OR ADVISORS. THE DEBTORS MAKE THE ABOVE-NOTED DISCLOSURE OF POSSIBLE TAX CONSEQUENCES FOR THE SOLE PURPOSE OF ALERTING READERS TO TAX ISSUES THAT THEY MAY WISH TO CONSIDER. THE DEBTORS CANNOT AND DO NOT REPRESENT THAT THE TAX

CONSEQUENCES MENTIONED ABOVE ARE COMPLETELY ACCURATE, BECAUSE, AMONG OTHER REASONS, THE TAX LAW EMBODIES MANY COMPLICATED RULES THAT MAKE IT DIFFICULT TO STATE ACCURATELY WHAT THE TAX IMPLICATIONS OF ANY ACTION MIGHT BE.

IRS CIRCULAR 230 NOTICE: TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE INTERNAL REVENUE SERVICE, THE DEBTORS INFORM ALL RECIPIENTS OF THIS DISCLOSURE STATEMENT THAT ANY U.S. TAX INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING THE EXHIBIT HERETO) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF (A) AVOIDING PENALTIES UNDER THE INTERNAL REVENUE CODE, OR (B) PROMOTING, MARKETING, OR RECOMMENDING TO ANOTHER PARTY ANY TRANSACTION OR MATTER ADDRESSED HEREIN.

XII.
CONCLUSION

The Proponents believe that the Plan complies with Bankruptcy Code § 1129 and is fair and equitable and in the best interests of the Debtors, the Estates, and the Holders of Claims and Interests.

Dated: October 19, 2018

ARABELLA EXPLORATION, LLC

By: /s/ Charles L. Hoebeke
Name: Charles L. Hoebeke
Title: Chief Restructuring Officer

Dated: October 19, 2018

ARABELLA OPERATING, LLC

By: /s/ Charles L. Hoebeke
Name: Charles L. Hoebeke
Title: Chief Restructuring Officer

Dated: October 19, 2018

PLATINUM PARTNERS CREDIT OPPORTUNITIES MASTER FUND, LP

By: /s/ Melanie L. Cyganowski
Name: Melanie L. Cyganowski
Title: Receiver for Platinum of Platinum Partners Credit Opportunities Master Fund, LP