

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS

In re:	)	Chapter 11
LINC USA GP, <i>et al.</i> <sup>1</sup>	)	Case No. 16-32689 (DRJ)
	)	
Debtors.	)	(Jointly Administered)

**DEBTORS' EXPEDITED MOTION FOR ENTRY OF AN ORDER (A) GRANTING  
CONDITIONAL APPROVAL OF ADEQUACY OF DISCLOSURE STATEMENT,  
(B) APPROVING SOLICITATION MATERIALS AND PROCEDURES,  
(C) APPROVING PLAN CONFIRMATION SCHEDULE, (D) SETTING A  
CONSOLIDATED HEARING ON FINAL APPROVAL OF DISCLOSURE STATEMENT  
AND CONFIRMATION OF DEBTORS' JOINT CHAPTER 11 PLAN OF  
LIQUIDATION AND (E) GRANTING RELATED RELIEF**

A HEARING WILL BE CONDUCTED ON THIS MATTER ON JANUARY 9, 2017, AT 3:30 PM IN COURTROOM 400, 4TH FLOOR, UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF TEXAS, 515 RUSK AVENUE, HOUSTON, TEXAS 77002. IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING, SPECIFICALLY ANSWERING EACH PARAGRAPH OF THIS PLEADING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT WITHIN TWENTY-ONE DAYS FROM THE DATE YOU WERE SERVED WITH THIS PLEADING. YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PERSON WHO SENT YOU THE NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

EXPEDITED RELIEF HAS BEEN REQUESTED. IF THE COURT CONSIDERS THE MOTION ON AN EXPEDITED BASIS, THEN YOU WILL HAVE LESS THAN 21 DAYS TO ANSWER. IF YOU OBJECT TO THE REQUESTED RELIEF OR IF YOU BELIEVE THAT THE EXPEDITED CONSIDERATION IS NOT WARRANTED, YOU SHOULD FILE AN IMMEDIATE RESPONSE.

<sup>1</sup> The debtors in possession in these chapter 11 cases, along with the last four digits of each debtor in possession's federal tax identification number, are: Linc Energy Finance (USA), Inc. (6684); Linc USA GP (5234); Linc Energy Resources, Inc. (9613); Linc Gulf Coast Petroleum, Inc. (6790); Linc Energy Petroleum (Louisiana), LLC (1074); Linc Alaska Resources, LLC (2362); Paen Insula Holdings, LLC (1681); Linc Energy Petroleum (Wyoming), Inc. (9859); Diasu Holdings, LLC (9626); Diasu Oil & Gas Company, Inc. (8926); and Linc Energy Operations, Inc. (5806).



Debtors and debtors in possession Linc USA GP; Linc Energy Finance (USA), Inc.; Linc Energy Operations, Inc.; Linc Energy Resources, Inc.; Linc Gulf Coast Petroleum, Inc.; Linc Energy Petroleum (Wyoming), Inc.; Paen Insula Holdings, LLC; Linc Alaska Resources, LLC; and Linc Energy Petroleum (Louisiana), LLC (together, the “Debtors”) hereby file this *Expedited Motion for Entry of an Order (A) Granting Conditional Approval of Adequacy of Disclosure Statement (B) Approving Solicitation Materials and Procedures, (C) Approving Plan Confirmation Schedule, (D) Setting a Consolidated Hearing on Final Approval of Disclosure Statement and Confirmation of Debtors’ Joint Chapter 11 Plan of Liquidation and (E) Granting Related Relief* (the “Motion”) pursuant to sections 105, 1123(a), 1124, 1125, 1126 and 1128 of title 11 of the United States Code (the “Bankruptcy Code”); rules 2002, 3016, 3017 and 3018 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”); rule 2002-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Southern District of Texas (the “Local Bankruptcy Rules”); and the United States Bankruptcy Court for the Southern District of Texas, Procedures for Complex Chapter 11 Bankruptcy Cases (the “Complex Rules”) and in support thereof, respectfully represent as follows:

## **I. JURISDICTION AND VENUE**

1. This Court has jurisdiction over these cases and this matter pursuant to 28 U.S.C. § 157. This is a core proceeding within the meaning of 28 U.S.C. § 157. Venue of these chapter 11 cases in this district is proper pursuant to 28 U.S.C. § 1408.

## **II. BACKGROUND**

### **General Case Background**

2. Together, the Debtors operated an oil and gas exploration and production business with a primary focus on the Texas Gulf Coast. Each of the Debtors is a direct or indirect

subsidiary of Linc USA GP. The Debtors' properties were operated by Debtor Linc Energy Operations, Inc.

3. On May 29, 2016 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "Court"). Pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, the Debtors are operating their businesses and managing their property as debtors in possession. No trustees or examiners have been appointed in these cases.

4. A full description of the Debtors' business, corporate structure, prepetition indebtedness, and events leading to these chapter 11 cases is set forth in the *Declaration of Jude Rolfes in Support of Chapter 11 Petitions and First Day Pleadings*, filed on the Petition Date and incorporated herein by reference [Dkt. No. 14].

5. On May 30, 2016, the Court entered its Order Granting Motion for Joint Administration [Dkt. No. 21] and on June 1, 2016 the Court entered its Order Granting Complex Chapter 11 Bankruptcy Case Treatment [Dkt. No. 32]. On June 17, 2016, the U.S. Trustee appointed the statutory committee of unsecured creditors (the "Creditors Committee").<sup>2</sup>

6. Since the Petition Date, the Debtors successfully obtained postpetition financing. On July 11, 2016, the Court entered its *Final Order (I) Authorizing the Debtors (A) to Obtain Postpetition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e) and (B) to Utilize Cash Collateral Pursuant to 11 U.S.C. § 363 and (II) Granting Adequate Protection to Prepetition Secured Parties Pursuant to 11 U.S.C. §§ 361, 362, 363 and 364* (the "Final DIP Order") [Dkt. No. 196].

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<sup>2</sup> Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Plan.

### Significant Asset Sales

7. In addition to gaining approval of the Final DIP Order and satisfying their administrative obligations under the Bankruptcy Code, since the Petition Date, the Debtors have been working towards the sale of substantially all of their assets. On July 12, 2016, the Court entered its *Order Approving Bidding Procedures and Protections; Approving Procedures for the Assumption and Assignment of Contracts and Leases; Scheduling Bidding Deadline, Auction Date, and Sale Hearing Date; and Approving Form and Notice Thereof* (the “Bidding Procedures Order”) [Dkt. No. 205].

8. Pursuant to the Bidding Procedures Order, the Debtors conducted an auction on August 23, 2016, for the sale of substantially all of the Debtors’ oil and gas assets located in the Gulf Coast, State of Wyoming, and State of Alaska.

9. On August 31, 2016, the Court entered the following orders authorizing the Debtors to sell substantially all of their oil and gas assets in the Gulf Coast, State of Wyoming, and State of Alaska: (1) *Order (A) Authorizing and Approving (I) the Asset Purchase Agreement for the Gulf Coast Assets; (II) the Sale of the Debtors’ Gulf Coast Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests; and (III) The Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (B) Granting Related Relief* [Dkt. No. 347] (the “Gulf Coast Sale Order”); (2) *Order (A) Authorizing and Approving (I) the Asset Purchase Agreement for the Wyoming Assets; (II) the Sale of the Debtors’ Wyoming Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests; and (III) The Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (B) Granting Related Relief* [Dkt. No. 348] (the “Wyoming Sale Order”); and (3) *Order (A) Authorizing and Approving (I) the Asset Purchase Agreement for the Alaska Assets; (II) the Sale of the Debtors’ Alaska Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests; and (III) The*

*Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (B) Granting Related Relief* [Dkt. No. 349] (the “Alaska Sale Order”).

10. The Debtors closed the sale of their Gulf Coast assets pursuant to the Gulf Coast Sale Order on September 14, 2016. The Debtors closed the sale of the Wyoming assets pursuant to the Wyoming Sale Order on October 14, 2016. The Debtors closed the sale of their the Alaska assets under the Alaska Sale Order on November 22, 2016.

11. With respect to the Debtors’ remaining assets, the Debtors’ have filed a *Motion for an Order Establishing Procedures for Sales of Certain Miscellaneous Assets Outside the Ordinary Course of Business Free and Clear of all Liens, Claims Interests, and Encumbrances and Authorizing Retention, Employment, and Payment of Sales Professionals without Further Court Approval* [Dkt. No. 359]. On October 17, 2016, the Court issued its *Amended Order Establishing Procedures for Sales of Certain Miscellaneous Assets Outside the Ordinary Course of Business Free and Clear of All Liens, Claims, Interests, and Encumbrances and Authorizing Retention, Employment and Payment of Sales Professionals Without Further Court Approval* [Dkt. No. 359]. The Debtors are working to liquidate their miscellaneous assets under the terms of the Court approved procedures.

**Exclusivity Period**

12. Under section 1121(b) of the Bankruptcy Code, debtors have the exclusive right to file chapter 11 plans within the first 120 days from the Petition Date. *See* 11 U.S.C. § 1121(b). This time period is commonly referred to as the “Exclusivity Period.” If debtors file plans within the first 120 days of the petition date, debtors are automatically provided an additional 60 days to allow the debtors time to solicit and obtain acceptance of their plans (the “Acceptance Period”). *See* 11 U.S.C. § 1121(c). Based on the Petition Date, the Debtors’ statutory Exclusivity Period

was set to expire on September 26, 2016, and the Debtors' Acceptance Period was set to expire on November 25, 2016.

13. On September 23, 2016, prior to the expiration of the Exclusivity Period, the Debtors filed the *Debtors' Motion for an Order Extending the Exclusivity Periods to File a Chapter 11 Plan and to Solicit Acceptances Pursuant to Section 1121 of the Bankruptcy Code* ("Exclusivity Extension Motion"). On November 21, 2016, this Court granted the Exclusivity Extension Motion, extending the Exclusivity Period to December 26, 2016 and the Acceptance Period to February 24, 2017 [Dkt. No. 427].

### **Plan and Disclosure Statement**

14. Following the Bankruptcy Court's approval of the sales of the Debtors' assets, described above, the Ad Hoc Noteholder Group and the Creditors Committee engaged in extensive negotiations regarding a fair and equitable distribution of the sale proceeds and the Debtors' remaining Assets among the Debtors' Creditors. At the conclusion of these negotiations, the Ad Hoc Noteholder Group and the Creditors Committee agreed to support a plan that embodied the following compromises:

- (a) the First Lien Noteholders are entitled to receive (i) 100% of the Gulf Coast Sale Proceeds less the Claims Reserve Holdback to the extent not previously distributed to the First Lien Noteholders pursuant to the Stipulation, and (ii) 100% of the Wyoming Sale Proceeds, no later than the Effective Date of the Plan;
- (b) a Creditor Trust will be formed for the benefit of the Prepetition Noteholders and holders of General Unsecured Claims, and all of the Debtors' remaining Assets, including litigation rights and Cash but excluding the Asset Sale proceeds, will be transferred to the Creditor Trust. The Creditor Trustee will be responsible for monetizing those remaining Assets and distributing them to Creditors in accordance with the Creditor Trust Agreement and the Confirmation Order. The Creditor Trustee may also serve as Distribution Agent concerning other Claims against the Estates, and will, at its option, reserve amounts necessary to pay Allowed Claims in accordance with the Plan;

- (c) of the Assets transferred to the Creditor Trust, \$950,000 in Cash will be earmarked solely for distribution to holders of Allowed non-Prepetition Noteholder General Unsecured Claims. Similarly, the Debtors' performance bonds naming a Debtor other than Linc Energy Operations Inc. ("LEO") as principal, and the Cash securing such bonds, shall be treated as Collateral of the Prepetition Noteholders, and therefore earmarked solely for distribution to the Prepetition Noteholders;
- (d) the balance of the Creditor Trust Assets will be allocated among the Prepetition Noteholders and the non-Prepetition Noteholder unsecured Creditors as follows:
  - (i) the Prepetition Noteholders and the non-Prepetition Noteholder unsecured Creditors each collectively shall receive 50% of the proceeds of the Cash securing performance bonds naming LEO as the principal once those funds are refunded to LEO Bonds; and
  - (ii) the Prepetition Noteholders will receive 60% of all other Assets (or proceeds therefrom), and non-Prepetition Noteholder unsecured Creditors will receive the remaining 40%;
- (e) the Creditor Trust will initially be funded with \$100,000 from the Prepetition Noteholders' share of the proceeds of the LEO Bonds. The Prepetition Noteholders will then be entitled to the first \$100,000 of proceeds from Creditor Trust Assets other than the LEO Bonds, as repayment of that initial funding;
- (f) the Creditor Trust will be governed by a three-member Creditor Trust Advisory Board, comprised of one member appointed by the Prepetition Noteholders, one member appointed by the Creditors Committee, and the Creditor Trust (selected by the Prepetition Noteholders);
- (g) at the option of the Prepetition Noteholders, any Assets related to the Debtors' Alaska oil and gas business that were not purchased through the Alaska Asset sale and relevant Alaska APA may be transferred to the entity formed by the Prepetition Noteholders as part of the Alaska Asset sale on the Effective Date of the Plan; and
- (h) provided that the parties are pursuing and ultimately obtain Confirmation of a plan that includes these agreed-upon terms, the Creditors Committee will not challenge the validity, enforceability, priority or amount of the Liens and security interests securing the Claims of the Prepetition Noteholders.

15. In connection with Plan negotiations, the Creditors Committee and the Ad Hoc Noteholder Group also reached agreement with the Debtors concerning funding for the

remainder of the Chapter 11 Cases. Specifically, the Debtors will be authorized to continue to utilize the Prepetition Noteholders' Cash Collateral for the balance of the Chapter 11 Cases. The use of Cash Collateral was previously negotiated by the parties and approved by the Bankruptcy Court in connection with approval of the DIP Facility; however, upon the consummation of all of the Asset sales described above, the DIP Facility terminated, thus necessitating a supplemental order concerning use of Cash Collateral. On November 22, 2016, the Debtors filed an expedited motion for approval of the agreed Cash Collateral Stipulation [Dkt. No. 429], which Stipulation was approved by the Bankruptcy Court on December 5, 2016 [Dkt. No. 442]. The Cash Collateral Stipulation generally permits the continued use of Cash Collateral, subject to a revised budget and the imposition of new milestones governing the plan process. The Cash Collateral Stipulation also approves the immediate distribution by the Debtors of the proceeds of the Gulf Coast Sale Proceeds (minus certain holdbacks, including the funds necessary to wind down the Estates and Consummate the Chapter 11 Cases), consistent with the agreed-upon terms described above.

### **III. RELIEF REQUESTED**

16. By this Motion, the Debtors request entry of an order substantially in the form attached hereto as **Exhibit A** (the "Solicitation Procedures Order"): (a) granting conditional approval of the adequacy of the information contained in the disclosure statement, filed on December 19, 2016 [Dkt. No. 451] (the "Disclosure Statement"), (b) approving the solicitation materials and procedures, (c) approving the plan confirmation schedule, (d) setting a consolidated hearing on final approval of the Disclosure Statement and confirmation of the Debtors' joint chapter 11 plan of liquidation, filed on December 19, 2016 [Dkt. No. 450] (the "Plan"), and (e) granting related relief.



17. Subject to the Court's calendar, the Debtors propose the following dates and deadlines be approved and fixed by the Court:

<b>Proposed Timeline</b>	
Hearing on this Motion	January 9, 2017
Voting Record Date	January 9, 2017
Commencement of solicitation	January 13, 2017
Deadline to file Rule 3018 Motion	January 23, 2017
Deadline to file Plan Supplement	January 30, 2017
Deadline to object to Disclosure Statement and confirmation of Plan	February 6, 2017
Voting Deadline	February 6, 2017
Voting Report Deadline	February 9, 2017
Combined Hearing	February 13, 2017 at 3:00 p.m.

#### IV. BASIS FOR RELIEF

##### A. Conditional Approval of Adequacy of Disclosure Statement and Scheduling Consolidated Hearing for Final Approval of the Disclosure Statement and Confirmation of the Plan

18. Bankruptcy Code section 105(a) provides generally that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” Bankruptcy Code section 105(d)(2)(B) further provides, among other things, that unless inconsistent with another provision of the Bankruptcy Code or the Bankruptcy Rules, the Court may issue an order that:

- (v) fixes the scope and format of the notice to be provided regarding the hearing on approval of the disclosure statement; or
- (vi) provides that the hearing on approval of the disclosure statement may be combined with the hearing on confirmation of the plan.

11 U.S.C. § 105(d)(2)(B)(v) and (vi).

19. Courts in this District and others have relied upon Bankruptcy Code section 105(d) to conditionally approve the adequacy of disclosure statements and to combine the disclosure statement hearing with the plan confirmation hearing. *See, e.g., In re ERG Intermediate Holdings, LLC*, 2015 Bankr. LEXIS 3751 (Bankr. N.D. Tex. Nov. 2, 2015); *In re*

*Dune Energy, Inc.*, 2015 Bankr. LEXIS 3173 (Bankr. W.D. Tex. Sept. 18, 2015); *In re Harborwalk, LP*, 2010 Bankr. LEXIS 4489 (Bankr. S.D. Tex. Oct. 25, 2010); *In re Round Rock Ltd.*, 2010 Bankr. LEXIS 4581 (Bankr. W.D. Tex. June 15, 2010); *In re Gulf Coast Oil Corp.*, 404 B.R. 407 (Bankr. S.D. Tex. 2009).

20. The Debtors submit that conditional approval of the Disclosure Statement followed by a combined hearing on final approval of the Disclosure Statement and confirmation of the Plan (the “Combined Hearing”) is warranted under the circumstances of this case. The Debtors have liquidated substantially all of their assets pursuant to a Court approved sales process and, consequently, the Debtors have ceased oil and gas operations and now exist primarily to wind down their estates and these chapter 11 cases. A Combined Hearing on Disclosure Statement approval and Plan confirmation will expedite the confirmation process, which in turn will reduce the administrative expenses of these cases by allowing the Debtors to exit bankruptcy as quickly as possible.

21. Additionally, the Debtors believe that no party will be harmed by a Combined Hearing because the plan is a liquidating plan that implements an agreed to compromise among the Debtors, the Creditors Committee and the Ad Hoc Group of Noteholders. Furthermore, the Creditors Committee and Ad Hoc Group of Noteholders have reviewed and commented on this Motion and both parties support the relief requested in this Motion. Consequently, the Debtors believe that conditional approval of the Disclosure Statement and a consolidated hearing on final approval of the Disclosure Statement and confirmation of the Plan is in the best interests of the estates and all creditors.

#### **B. Approval of the Adequacy of Information Contained in the Disclosure Statement**

22. Bankruptcy Code section 1125 requires the Debtors to provide adequate information to holders of claims prior to soliciting acceptances for a plan of reorganization.

Bankruptcy Code section 1125(a)(1) defines “adequate information” as “information of a kind, and in sufficient detail . . . that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan . . . .” The determination of what constitutes “adequate information” in each case rests within the discretion of the bankruptcy court. *In re Texas Extrusion Corp.*, 844 F.2d 1142, 1157 (5th Cir. 1988).

23. Further, a determination of adequate information should be the result of a practical, case specific analysis. As stated in the legislative history to Bankruptcy Code section 1125:

Precisely what constitutes adequate information in any particular instance will develop on a case-by-case basis. Courts will take a practical approach as to what is necessary under the circumstances of each case, such as the cost of preparation of the statements, the need for relative speed in solicitation and confirmation, and, of course, the need for investor protection. There will be a balancing of interests in each case. In reorganization cases, there is frequently great uncertainty. Therefore the need for flexibility is greatest.

H.R. Rep. No. 95-595, 95th Cong., 1st Sess. 409 (1977).

24. The Debtors believe the Disclosure Statement contains “adequate information” within the meaning of Bankruptcy Code section 1125(a)(1). Specifically, the Disclosure Statement contains information concerning (i) the Plan, (ii) distributions to be made under the Plan, (iii) the projected recoveries by creditors under the Plan, (iv) risk factors affecting the Plan, (v) the projected recoveries to creditors under a hypothetical chapter 7 case, and (vi) federal tax consequences. Therefore, the Debtors request that the Court conditionally approve the Disclosure Statement pursuant to Bankruptcy Code section 1125.

### **C. Approval of the Dates, Procedures, and Forms Applicable to Solicitation Process**

#### **i. Voting Agent**

25. The Debtors intend to use Kurtzman Carson Consultants LLC (“KCC”) as the Debtors’ soliciting and noticing agent (the “Voting Agent”) to assist the Debtors in soliciting

votes on, and providing notice of, the Plan, including mailing solicitation packages and notices, receiving and tabulating Ballots cast on the Plan, and certifying to the Court the results of the balloting. KCC was retained by Court order entered June 21, 2016 and is authorized to provide these services, among others [Dkt. No. 133]. Pursuant to the procedures set forth herein, the Debtors propose to have the Voting Agent prepare and file a record tabulating the votes case (the “Voting Report”) by February 9, 2017 (the “Voting Report Deadline”).

**ii. Voting Record Date**

26. Bankruptcy Rule 3018(a) provides that the record date for determining the holders of stock, bonds, debentures, notes and other securities entitled to receive the materials specified in Bankruptcy Rule 3017(d), including Ballots, is the “date the order approving the disclosure statement is entered or another date fixed by the court, for cause, after notice and a hearing.” *See* Fed. R. Bankr. P. 3018(a). The Debtors request that this court set the record date for determining the holders of stock, bonds, debentures, notes and other securities as the date that is the date of the hearing on this Motion (the “Voting Record Date”) and that the Voting Record Date apply to all creditors.

**iii. Voting Deadline**

27. Pursuant to Bankruptcy Rule 3017(c), at the time of or before the approval of the disclosure statement “the court shall fix a time within which the holders of claims and interests may accept or reject the plan . . . .” Fed. R. Bankr. P. 3017(c). The Debtors request that the Court establish **February 6, 2017** as the deadline by which all Ballots must be received by the Voting Agent (as may be extended from time to time even if the time period has lapsed, the “Voting Deadline”). The Debtors also request that they be permitted, in their sole discretion,

to extend the Voting Deadline as facts and circumstances may require without further order of the Court.

**iv. Ballots**

28. Bankruptcy Rule 3017(d) provides that ballots for accepting or rejecting a plan of reorganization should conform substantially to Official Form No. 14. The forms of ballots attached hereto as **Exhibit B** are derived from Official Form No. 14, but include certain modifications necessary to facilitate voting by large numbers of creditors and to meet particular requirements of the Plan. **Exhibit B-1** is the proposed Master Ballot for Class 3 (First Lien Note Claims). **Exhibit B-2** is the proposed Beneficial Holder Ballot for Class 3 (First Lien Note Claims). **Exhibit B-3** is the proposed Master Ballot for Class 4 (Second Lien Note Claims). **Exhibit B-4** is the proposed Beneficial Holder Ballot for Class 4 (Second Lien Note Claims). Finally, **Exhibit B-5** is the proposed Ballot for Class 5 (General Unsecured Claims). The appropriate ballot forms, as applicable, will be distributed to Classes entitled to vote to accept or reject the Plan.

**v. Solicitation of Votes**

29. Bankruptcy Rule 3017(d) specifies the materials to be distributed to holders of allowed claims and/or interests upon approval of a disclosure statement. Unless otherwise ordered, such materials include the plan or a court approved summary of the plan, the court approved disclosure statement, notice of the voting deadline and any other information as the court may direct. Fed. R. Bankr. P. 3017(d).

30. In accordance with Bankruptcy Rule 3017(d), by a date to be established by the Court that is no more than three (3) calendar days after the date of entry of the Solicitation Procedures Order (the "**Solicitation Commencement Date**"), the Debtors propose to cause the

Voting Agent to transmit by first class mail to each of the holders of Claims in Classes entitled to vote on the Plan a solicitation package containing:

- (a) notice of the combined final Disclosure Statement hearing and confirmation hearing and objection deadline (as provided below);
- (b) the Disclosure Statement;
- (c) the Plan (appended to the Disclosure Statement);
- (d) an appropriate Ballot;
- (e) a letter in support of confirmation from the Creditors Committee;
- (f) a postage prepaid pre-addressed return envelope; and
- (g) such other information as the Court may direct or approve (collectively, the "Solicitation Package").

31. The Debtors propose that the Disclosure Statement and Plan be served on parties in interest in CD-ROM format or other electronic means, as appropriate, with paper copies of the Plan and the Disclosure Statement available upon request to the Voting Agent.

32. The Debtors propose that the following holders of Claims be permitted to vote on the Plan and thus receive the Solicitation Package: holders of Claims in Classes 3, 4 and 5, but only holders of Claims in such Classes who:

- (a) have filed timely Proofs of Claim in the amounts asserted in such Proofs of Claim, provided that such Proofs of Claim (i) have not been disallowed by an order of the Court, (ii) are not the subject of a pending objection to the entirety of the claim, (iii) have not been reduced by order of the Court or are not subject to an objection pending before the Court for reduction (with voting permitted only in the reduced or proposed reduced amount and/or classification), or (iv) do not allege claims that are wholly unliquidated (with voting permitted only with respect to the amount thereof that is fixed); or
- (b) who have not filed timely Proofs of Claim but whose Claims are scheduled in the Debtors' Schedules, or any amendments thereto, but are not designated therein as contingent, unliquidated or disputed or listed therein as zero or unknown in amount, in the amounts set forth in the Schedules, or any amendments thereto.

33. To avoid duplication and reduce expenses, the Debtors propose that voting creditors who have filed duplicate Claims for the same underlying liability that are classified in the same class, for which an objection to the duplicative claim is pending, should be entitled to receive only one Solicitation Package and one Ballot for voting their Claims with respect to that class. In addition, the Debtors propose that voting creditors who filed amended Claims after the applicable bar date should be entitled to vote only the claim amount evidenced by their initial timely Proof of Claim, unless the initial claim has been disallowed.

34. In addition to mailing the Combined Hearing Notice, as defined below, the Debtors propose to use commercially reasonable efforts to submit the Combined Hearing Notice for publication on one occasion in the *USA Today National Edition*, within fourteen (14) days after the entry of the Solicitation Procedures Order or as soon as practicable thereafter. Bankruptcy Rule 2002(l) permits the Court to “order notice by publication if it finds that notice by mail is impracticable or that it is desirable to supplement notice.” The Debtors believe that publication of the Combined Hearing Notice will provide sufficient notice of the conditional approval of the Disclosure Statement, the Combined Hearing, the Voting Record Date, the Voting Deadline and the Plan Objection Deadline, each as defined herein, to entities who will not otherwise receive notice by mail as provided in the Solicitation Procedures.

**vi. Treatment of Unliquidated or Disputed Claims**

35. Pursuant to Bankruptcy Code section 1126(a), only holders of allowed claims or interests are entitled to vote to accept or reject a plan. Pursuant to Bankruptcy Rule 3018(a), a court may, after notice and hearing, temporarily allow a claim or interest for voting purposes.

36. The Debtors propose that any holder of a Claim that is (a) asserted in a Proof of Claim as wholly unliquidated, or for \$0.00, (b) asserted in an untimely Proof of Claim, or

(c) asserted in a Proof of Claim as to which an objection to the entirety of the Claim is pending (collectively, the “Disputed Claimants”) not be permitted to vote on the Plan except as provided herein. For the sake of clarity, Claims scheduled as contingent, unliquidated, or disputed, or for \$0.00, for which no Proof of Claim has been filed, are not entitled to vote.

37. The Debtors propose to distribute to each of the Disputed Claimants a package that includes the following:

- (a) a notice in substantially the form attached hereto as **Exhibit C** (the “Notice of Disputed Claim Status”);
- (b) the Disclosure Statement;
- (c) the Plan (appended to the Disclosure Statement); and
- (d) such other information as the Court may direct or approve (collectively, the “Disputed Claimant Package”).

38. The Notice of Disputed Claim Status will inform the Disputed Claimants that their Claims have been designated as wholly unliquidated or disputed and the Disputed Claimant Package will inform the Disputed Claimants of the Debtors’ proposed treatment of their interests. The Notice of Disputed Claim Status also informs such claimants that, absent having filed a motion seeking to be temporarily allowed to vote on the Plan pursuant to Bankruptcy Rule 3018(a) (a “Rule 3018 Motion”), in the manner and by the deadline described below, they are precluded from submitting a vote with respect to their wholly unliquidated or disputed Claim. Such claimants will be instructed in the notice to contact the Voting Agent to receive a Ballot for any such Claim if a Rule 3018 Motion is timely filed.

39. The Debtors request that the Court fix January 23, 2017, at 3:00 p.m. (prevailing Central Time) as the deadline for Rule 3018 Motions to be filed with the Court and served upon the Debtors’ counsel and the Voting Agent (the “Rule 3018 Motion Deadline”). Any party filing and serving a Rule 3018 Motion by the Rule 3018 Motion Deadline will be provided a Ballot and



be permitted to cast a provisional vote to accept or reject the Plan. If and to the extent that the Debtors and such party are unable to resolve the issues raised by the Rule 3018 Motion prior to the Voting Deadline, then at the Combined Hearing, the Debtors will request that the Court determine whether the provisional Ballot should be counted as a vote on the Plan. Such a procedure will help ensure an efficient tabulation of Ballots to be completed accurately by the Combined Hearing. Moreover, setting the date of the Combined Hearing as the date for hearing any Rule 3018 Motions will permit the Court to avoid holding separate hearings on such motions.

40. Nothing in these procedures is intended to affect the Debtors' right to object to any Proof of Claim. With respect to any such objection, the Debtors reserve the right to request, on notice, that any vote cast by the holder of the disputed Claim be disallowed and not counted in determining whether the requirements of Bankruptcy Code section 1126(a) have been met. In the absence of any such request, the holder of a disputed Claim will be entitled to vote in accordance with its Proof of Claim.

**vii. Notice of Non-Voting Status**

41. In compliance with section 1123(a)(1) of the Bankruptcy Code and as reflected in the Plan, Administrative Claims and Priority Tax Claims are not classified under the Plan. *See* 11 U.S.C. § 1123(a)(1) (prohibiting classification of administrative and priority claims). These unclassified Claims are not entitled to vote on the Plan as the Bankruptcy Code requires that they not be compromised under a plan.<sup>3</sup>

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<sup>3</sup> In addition, Class 1 (Other Priority Claims) and 2 (Other Secured Claims) are unimpaired, deemed to accept the Plan, and therefore are not entitled to vote to accept or reject the Plan. Equity Interests in Class 6 will be cancelled and extinguished on the Effective Date, and are presumed to reject to the Plan, and are not entitled to vote to accept or reject the Plan. A notice of non-voting status will be mailed to holders of Claims or Equity Interests, as applicable, in the Classes.

42. Bankruptcy Rule 3017(d) permits a bankruptcy court to order that the disclosure statement and plan need not be mailed to any unimpaired class and to approve instead the mailing of a “notice that the class is designated in the plan as unimpaired and notice of the name and address of a person from whom the plan or summary of the plan and disclosure statement may be obtained upon request and at the plan proponent’s expense, [and] notice of the time fixed for filing objections to and the hearing on confirmation.”

43. Accordingly, the Debtors propose to cause the Voting Agent to mail to holders of Administrative Claims and Priority Tax Claims a notice in substantially the form attached as **Exhibit D** (the “Notice of Non-Voting Status”), in lieu of a Solicitation Package. The Notice of Non-Voting Status summarizes the treatment provisions of the Plan as applicable to Administrative Claims and Priority Tax Claims. In addition, the Notice of Non-Voting Status provides (a) notice of the filing of the Plan, (b) notice of the conditional approval of the Disclosure Statement, (c) instructions regarding the various ways to obtain and/or view copies of the Disclosure Statement, the Plan, and other documents, including how to obtain electronic copies of such documents, (d) information regarding the Combined Hearing, and (e) directions for filing objections to confirmation of the Plan.

44. The Debtors believe that mailing the Notice of Non-Voting Status described above satisfies the requirements of Bankruptcy Rule 3017(d) with respect to the holders of unclassified Claims, Claims in Classes 1 and 2 (deemed to accept) and Equity Interests in Class 6 (deemed to reject). Therefore, the Debtors request that the Court direct that the Disclosure Statement and Plan need not be mailed to holders of such Claims and Equity Interests as applicable.

**viii. When No Notice or Transmittal Necessary**

45. The Debtors propose that notice of the Combined Hearing and objection deadlines be provided to the entire creditor matrix. The Debtors further propose that no Solicitation Packages or other notices need be transmitted to any person to whom the Debtors mailed a notice of the commencement of the case and first meeting of creditors or a notice of the bar date for filing Proofs of Claim if either of such notices was returned marked “undeliverable” or “moved no forwarding address” or for a similar reason, unless the Debtors have been informed in writing by such person of that person’s new address.

**ix. Informational Mailing of Solicitation Packages**

46. Solicitation Packages and all forms of Ballots and notices proposed herein will be mailed for information purposes to the U.S. Trustee. Solicitation Packages without Ballots will be mailed for informational purposes to counter-parties to executory contracts listed on the Debtors’ Schedules G who have not filed Proofs of Claim and are not scheduled as creditors on the Debtors’ Schedules, and to other parties on the Master Service List maintained in these cases.

**D. Approval of Voting Tabulation Procedures**

47. To avoid uncertainty, to provide guidance to the Debtors and the Voting Agent, and to avoid the potential for inconsistent results, the Debtors request that the Court, pursuant to Bankruptcy Code section 105(a), establish the guidelines set forth below for tabulating the votes to accept or reject the Plan.

**i. Votes Counted**

48. Subject to paragraph 52 below, the Debtors propose that any Ballot that is timely received, that contains sufficient information to permit the identification of the claimant and that is cast as an acceptance or rejection of the Plan will be counted and will be deemed to be cast as

an acceptance or rejection, as the case may be, of the Plan. The Debtors request that this Court authorize the Voting Agent to accept timely submitted electronic Ballots.

49. Ballots must be submitted to the Voting Agent by mail sent to Linc Energy Ballot Processing Center, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245, or electronically, either by email to [lincenergyinfo@kccllc.com](mailto:lincenergyinfo@kccllc.com) or by submission to the case website, [www.kccllc.net/linc](http://www.kccllc.net/linc).

50. Master Ballots must be submitted to the Voting Agent by mail sent to Linc Energy Ballot Processing Center, c/o Kurtzman Carson Consultants LLC, 1290 Avenue of the Americas, 9th Floor, New York, NY 10104, or electronically by email to [lincenergyinfo@kccllc.com](mailto:lincenergyinfo@kccllc.com).

51. Beneficial Holder Ballots, as defined herein, must be submitted as set forth thereon or in the instructions provided by the Nominee.

**ii. Votes Not Counted**

52. The Debtors further propose that the following Ballots not be counted or considered for any purpose in determining whether the Plan has been accepted or rejected:

- (a) any Ballot received after the Voting Deadline unless the Debtors have granted an extension of the Voting Deadline with respect to such Ballot;
- (b) any Ballot that is illegible or contains insufficient information to permit the identification of the claimant;
- (c) any Ballot cast by any person or entity that does not hold a Claim in a Class that is entitled to vote to accept or reject the Plan;
- (d) any Ballot cast for a filed proof of claim designated as contingent, unliquidated, or disputed, or as zero or unknown in amount, and for which no Rule 3018(a) Motion has been filed by the Rule 3018(a) Motion Deadline;
- (e) any Ballot timely received that is cast in a manner that indicates neither an acceptance nor rejection of the Plan or that indicates both an acceptance and rejection of the Plan; or

- (f) any unsigned Ballot.

**iii. Voting Procedures for Note Claims**

53. In addition to the foregoing generally applicable voting and Ballot tabulation procedures, the Debtors propose the following special procedures for holders of First Lien Note Claims<sup>4</sup> and Second Lien Note Claims (collectively, the “Note Claims”), Classes 3 and 4 in the Plan, respectively, who hold their position through a broker, bank, or other nominee or an agent of a broker, bank, or other nominee (each of the foregoing, a “Nominee”):

- (a) KCC shall distribute or cause to be distributed the appropriate number of copies of Ballots to each beneficial holder (a “Beneficial Holder Ballot”) of a Notes Claim as of the Voting Record Date to the Nominee.
- (b) Nominees identified by KCC through which beneficial holders hold their Notes Claims will be provided with (i) Solicitation Packages for each beneficial holder represented by the Nominee as of the Voting Record Date, which will contain the appropriate Ballot for each beneficial holder, and (ii) a master ballot (the “Master Ballot”).<sup>5</sup>
- (c) Any Nominee that is a holder of record with respect to Notes Claims shall vote on behalf of beneficial holders of such Claims by: (i) immediately but no later than three days from receipt of the Solicitation Packages, distributing the Solicitation Packages, including Beneficial Holder Ballots, it receives from KCC to all such beneficial holders;<sup>6</sup> (ii) providing such beneficial holders with a return address to send the completed Beneficial Holder Ballots; (iii) compiling and validating the votes and other relevant information of all such beneficial holders on the Master Ballot; and (iv) transmitting the Master Ballot to KCC on or before the Voting Deadline.
- (d) Any beneficial holder holding Notes Claims as a record holder in its own name may vote on the Plan by completing and signing a Beneficial Holder Ballot or Master Ballot and returning it directly to KCC on or before the Voting Deadline.

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<sup>4</sup> Capitalized terms used in this section, but not otherwise defined, shall have the meaning given to them in the Plan or Disclosure Statement, as applicable.

<sup>5</sup> The Master Ballot will be distributed to Nominees no later than five days after the initial solicitation mailing.

<sup>6</sup> Solicitation Packages may be sent in paper format or via electronic transmission in accordance with the customary requirements of each Nominee. Each Nominee will then distribute the Solicitation Packages, as appropriate, in accordance with their customary practices and obtain votes to accept or reject the Plan also in accordance with their customary practices. If it is the Nominee’s customary and accepted practice to submit a “voting instruction form” to the beneficial holders for the purpose of recording the beneficial holder’s vote, the Nominee will be authorized to send the voting instruction form in lieu of, or in addition to, a Beneficial Holder Ballot.

- (e) Any Beneficial Holder Ballot returned to a Nominee by a beneficial holder shall not be counted for purposes of accepting or rejecting the Plan until such Nominee properly completes and delivers to KCC a Master Ballot that reflects the vote of such beneficial holders on or before the Voting Deadline or otherwise validates the Beneficial Holder Ballot in a manner acceptable to KCC. Nominees shall retain all Beneficial Holder Ballots returned by beneficial holders for a period of one year after the Effective Date of the Plan.
- (f) If a beneficial holder holds Notes Claims through more than one Nominee or through multiple accounts, such beneficial holder may receive more than one Beneficial Holder Ballot and each such beneficial holder should execute a separate Beneficial Holder Ballot for each block of Notes Claims that it holds through any Nominee and must return each such Beneficial Holder Ballot to the appropriate Nominee.
- (g) Votes cast by beneficial holders through Nominees will be applied to the applicable positions held by such Nominees as of the Voting Record Date, as evidenced by the applicable securities position report(s) obtained from the Depository Trust Company. Votes submitted by a Nominee pursuant to a Master Ballot will not be counted in excess of the amount of such Claims held by such Nominee as of the Voting Record Date.
- (h) If conflicting votes or “over-votes” are submitted by a Nominee pursuant to a Master Ballot, the Voting Agent will use reasonable efforts to reconcile discrepancies with the Nominees. If over-votes on a Master Ballot are not reconciled prior to the preparation of the Voting Report, the Debtors shall apply the votes to accept and to reject the Plan in the same proportion as the votes to accept and to reject the Plan submitted on the Master Ballot that contained the over-vote, but only to the extent of the Nominee’s position as of the Voting Record Date.
- (i) For purposes of tabulating votes, each Nominee or beneficial holder will be deemed to have voted the principal amount of its Notes Claims, although any principal amounts may be adjusted by KCC to reflect the amount of the Claim actually voted, including prepetition interest.
- (j) A single Nominee may complete and deliver to KCC multiple Master Ballots. Votes reflected on multiple Master Ballots will be counted, except to the extent that they are duplicative of other Master Ballots. If two or more Master Ballots are inconsistent, the latest received valid Master Ballot received prior to the Voting Deadline will, to the extent of such inconsistency, supersede and revoke any prior received Master Ballot. Likewise, if a beneficial holder submits more than one Beneficial Holder Ballot to its Nominee, (i) the latest received Beneficial Holder Ballot Received before the submission deadline imposed by the Nominee shall be deemed to supersede any prior Beneficial Holder Ballot submitted by the

beneficial holder, and (ii) the Nominee shall complete the Master Ballot accordingly.

- (k) The Debtors will, upon written request, reimburse Nominees for customary mailing and handling expenses incurred by them in forwarding the Beneficial Holder Ballot and other enclosed materials to the beneficial holders for which they are the Nominee. No fees or commissions or other remuneration will be payable to any broker, dealer, or other person for soliciting Beneficial Holder Ballots with respect to the Plan.

#### **iv. Changing Votes**

54. Notwithstanding Bankruptcy Rule 3018(a), whenever two or more Ballots that comply with these procedures are cast voting the same Claim prior to the Voting Deadline, the last dated valid Ballot received prior to the Voting Deadline will be deemed to reflect the voter's intent and thus to supersede any prior Ballots, without prejudice to the Debtors' right to object to the validity of the second Ballot on any basis permitted by law, including under Bankruptcy Rule 3018(a), and, if the objection is sustained, to count the first dated valid Ballot for all purposes. This procedure will spare the Court and the Debtors the time and expense of responding to motions brought pursuant to Bankruptcy Rule 3018(a) attempting to show cause for changing votes.

#### **v. Effect of Deemed Consolidation**

55. Estates are often substantively consolidated for purposes of voting and determining distributions. *See, e.g., In re Life Partners Holdings, Inc.*, 15-40289-rfn-11 [Dkt. No. 2067] (Bankr. N.D. Tex. May 3, 2015) (confirming the debtors third amended plan and providing for deemed consolidation of the debtors' estates); *In re Jennifer Convertibles, Inc.*, 447 B.R. 713 (Bankr. S.D.N.Y. 2011) (authorizing deemed consolidation for a number of debtors in that case for purposes of voting, confirmation and making distributions).

56. Pursuant to Section 5.01 of the Plan, the Debtors propose that, for purposes of voting and determining distributions under the Plan, the Debtors will be deemed consolidated and treated as equivalent to a single legal entity. As explained in the Plan:

The Estates of the Debtors have not been substantively consolidated; provided, however that for purposes of voting and determining distributions under this Plan, the Debtors will be deemed consolidated and treated as equivalent to a single legal entity. This “deemed” consolidation means that Claims filed against the Debtors will be considered to be a single Claim against the consolidated Debtors. The Debtors believe that this Plan structure is beneficial to Creditors as a whole and accomplishes a fairer distribution of value among Creditors. Likewise, this structure will minimize costly disputes over which Debtors owned what property. It will also facilitate the compromise reached among the Debtors, the Creditors Committee and the Ad Hoc Noteholder Group as embodied in this Plan. The Ad Hoc Noteholder Group, whose members hold Liens on the majority of the Debtors’ Assets, as well as the Creditors Committee, have agreed to this treatment. Consolidation of the Debtors’ Estates is for the limited purpose of making distributions to holders of Allowed Claims to ease an administrative burden on the Debtors, their Estates, and the Creditor Trustee or a Distribution Agent, as applicable.

For the avoidance of doubt, no holder of an Allowed Claim shall receive more favorable treatment on account of such Claims under this Plan had consolidation not been effected. Without limiting the foregoing, recoveries by holders of Allowed Other Secured Claims shall be limited by the Liens and the value of the Collateral securing such Allowed Claims, without recourse to any other Assets not encumbered by such Liens or included in such Collateral. This deemed consolidation will not affect (other than for purposes related to funding distributions under this Plan) the legal and organizational structure of the Debtors or pre- and post-Petition Date guaranties, Liens, and security interests, or distributions out of any insurance policies or proceeds of policies.

The Debtors, in consultation with the Creditors Committee and the Ad Hoc Noteholder Group, reserve the right to withdraw this Plan with respect to one or more Debtors as they may reasonably determine, including as may be appropriate or necessary to effectuate the terms of this Plan as described in this Section 5.01.

Plan, Section 5.01.



57. The Debtors propose the following treatment for Claims impacted by the deemed consolidated provision:

- (a) Any obligation of any Debtor and all guarantees and joint and several liabilities thereof executed by one or more of the Debtors shall be deemed to be one obligation of all of the consolidated Debtors.
- (b) Any Claims filed or to be filed in connection with any such obligation and such guarantees and joint and several liabilities shall be deemed a single Claim against the consolidated Debtors.
- (c) All duplicative Claims (identical in amount and filed by the same claimant, identical in subject matter or identical in underlying basis) filed against one or more of the Debtors will be automatically expunged so that only a single Claim survives against the consolidated Debtors.
- (d) The consolidated Debtors will be deemed, for purposes of determining the availability of the right of set-off under Bankruptcy Code section 553, to be one entity, so that, subject to other provisions of Bankruptcy Code section 553, the debts due to a particular Debtor may be offset against the Claims against such Debtor or Debtors.

**vi. No Vote Splitting; Effect**

58. The Debtors propose that the Court clarify that claim splitting is not permitted and order that creditors who vote must vote all of their Claims within a particular Class to either accept or reject the Plan.

59. A split Claim for these purposes does not include an undersecured creditor's Claim that includes a secured Claim and unsecured deficiency Claim.<sup>7</sup>

**vii. Withdrawal of Ballots**

60. The Debtors propose to permit any claimant who has delivered a valid Ballot for the acceptance or rejection of the Plan to withdraw such acceptance or rejection by delivering a written notice of withdrawal to the Voting Agent at any time prior to the Voting Deadline. A

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<sup>7</sup> Note that Section 3.02(e)(iii) of the Plan provides the following: "No Recovery on Account of Deficiency Claims: Upon acceptance of this Plan by Class 3, Class 4 and Class 5, all holders of First Lien Note Claims and Second Lien Note Claims shall be deemed to have agreed to forgo any distribution from the GUC Trust Assets in respect of their Prepetition Noteholder Deficiency Claims."

notice of withdrawal, to be valid, should (a) contain the description of the Claim to which it relates and the aggregate principal amount represented by such Claim, (b) be signed by the withdrawing party in the same manner as the Ballot being withdrawn, (c) contain a certification that the withdrawing party owns the Claim and possesses the right to withdraw the vote sought to be withdrawn and (d) be timely received by the Voting Agent.

**viii. Voluntary Releases by Holders of Claims**

61. Courts, including this Court, regularly approve of opt-out procedures for voluntary releases by claimants. *See In re Midstates Petroleum Co.*, 16-32237 (DRJ) [Dkt. No. 698] (Bankr. S.D. Tex. September 29, 2016); *In re Swift Energy Co.* 15-12670 (MFW) [Dkt. No. 513] (Bankr. D. Del. March 31, 2016).

62. As a condition of the settlements and negotiations embodied in the Plan, the Released Parties and Exculpated Parties, as defined in the Plan, have agreed to include and have included, in Article X, Section 10.02, for certain third party releases.<sup>8</sup>

63. The Debtors propose that, provided that Plan is confirmed, where a holder of a Claim against the Debtors that (a) is unimpaired or (b) receives and returns a Ballot indicating an

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<sup>8</sup> The Plan defines “Released Parties” as “each of: (a) the Debtors; (b) the Creditor Trustee; (c) the Creditors Committee; (d) the Ad Hoc Noteholder Group and its members; (e) the Prepetition Noteholders; (f) the Indenture Trustees; (g) the DIP Agent; (h) the DIP Lenders; and (j) in each case, their predecessors, successors and assigns, professionals, advisors, accountants, attorneys, investment bankers, and consultants, and in the case of (b) through (h), their current and former affiliates, subsidiaries, funds, portfolio companies, management companies, employees, agents, directors and officers, and other representatives (each solely in their capacity as such). For the avoidance of doubt, the Debtors’ directors and officers are not included in the definition of ‘Released Parties.’” Plan, Art. I ¶ 101. The Plan defines “Exculpated Parties” as “each of: (a) the Debtors; (b) the Creditor Trustee; (c) the Creditors Committee; (d) the Ad Hoc Noteholder Group and its members; (e) the Prepetition Noteholders; (f) the Indenture Trustees; (g) the DIP Agent; (h) the DIP Lenders; and (j) in each case, their predecessors, successors and assigns, current and former affiliates, subsidiaries, funds, portfolio companies, management companies, current and former officers, directors, professionals, advisors, accountants, attorneys, investment bankers, consultants, employees, agents and other representatives (each solely in their capacity as such).” Plan, Art. I ¶ 53. The Plan defines “Releasing Parties” as “each holder of a Claim against the Debtors that (a) is Unimpaired pursuant to this Plan and therefore is deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code, or (b) receives and returns a Ballot indicating an election not to opt out of the releases provided in Section 10.02 herein.” Plan, Art. I ¶ 102.

election not to opt out of the releases set forth in Article X, Section 10.02, the releases will be binding on such claimant.

64. The Debtors propose to use this procedure on holders of Claims who receive the Beneficial Holder Ballot for Class 3 (Frist Lien Note Claims), the Beneficial Holder Ballot for Class 4 (Second Lien Note Claims) and the Ballot for Class 5 (General Unsecured Claims).

**E. Establishing Procedures for Notice of the Final Disclosure Statement and Combined Hearing**

65. Bankruptcy Rule 3017(a) requires that notice of the hearing to consider the proposed Disclosure Statement be provided to creditors and other parties in interest. *See* Fed R. Bankr. P. 3017(a) (providing that after a disclosure statement is filed it must be mailed with the notice of the hearing to consider the disclosure statement and any objections or modifications thereto on no less than 28 days' notice thereof). In addition, Bankruptcy Rule 3017(c) provides that “[o]n or before approval of the disclosure statement, the court shall fix a time within which the holders of claims and equity interests may accept or reject the plan and may fix a date for the hearing on confirmation.” Moreover, Bankruptcy Rules 2002(b) and (d) require not less than 28 days' notice to all creditors and equity security holders of the time for filing objections and the hearing to consider the approval of a disclosure statement and confirmation of a chapter 11 plan. However, these notice periods may be shortened for cause pursuant to Bankruptcy Rule 9006(c)(1).

66. The Debtors propose that on or before the Solicitation Commencement Date, the Voting Agent will serve the notice of the Disclosure Statement and Plan Objection Deadline, as defined below, and the Combined Hearing (“Combined Hearing Notice”) on all parties listed in the creditor matrices for these bankruptcy cases. The Debtors request that the Court schedule the

Combined Hearing to consider the approval of the Disclosure Statement and confirmation of the Plan on **February 13, 2017**.

67. The Debtors also request that the Court establish February 6, 2017 as the deadline for filing objections to the Disclosure Statement and Plan (the "Plan Objection Deadline"). Based on the proposed Combined Hearing date and Plan Objection Deadline, the Debtors request that this Court shorten the 28 day notice period set forth in Bankruptcy Rule 2002(b). The Debtors anticipate that the day following entry of the Solicitation Procedures Order they will serve the notices required under Bankruptcy Rule 2002, including the mailing of the Solicitation Packages. Thus, assuming entry of the Solicitation Procedures Order on January 10, 2017, and mailing of the Solicitation Packages by January 13, 2017, a Plan Objection Deadline of February 6, 2017 will provide 24 days' notice for parties to object to the Disclosure Statement or Plan and 31 days' notice of the date set for the Combined Hearing.

68. Attached hereto as **Exhibit E** is a proposed form of the Combined Hearing Notice. The Combined Hearing Notice provides (a) notice of the filing of the Plan, (b) notice of the conditional approval of the Disclosure Statement, (c) information regarding the Combined Hearing, and (d) directions for filing objections to the Disclosure Statement and confirmation of the Plan by the Plan Objection Deadline.

69. As set forth above, the Combined Hearing Notice will be included in the Solicitation Packages mailed to holders of voting Claims and to each person or entity set forth on the master service list maintained in these cases. The substance of the information contained in the Combined Hearing Notice is also included in the Notice of Non-Voting Status and the Notice of Disputed Claim Status. The Combined Hearing Notice will also be served on any party on the

creditor matrices in these cases that does not receive a Solicitation Package, Notice of Non-Voting Status, or Notice of Disputed Claim Status.

70. Accordingly, the Debtors believe that service of the Combined Hearing Notice as described above will provide sufficient notice to all parties in interest of the Plan Objection Deadline and the Combined Hearing.

**F. Need for Expedited Consideration**

71. The Debtors request that the Court consider this Motion on less than 21 days' notice. The relief sought herein is predominantly procedural in nature and expedited consideration is requested in order that the Debtors can proceed to a combined solicitation of the Disclosure Statement and Plan as quickly as possible, which will minimize time remaining in chapter 11 and thus expense to the estates.

WHEREFORE, the Debtors request that the Court enter an order approving this Motion and scheduling the Combined Hearing and that the Court grant the Debtors such other relief as it deems just.

Respectfully submitted,

**BRACEWELL LLP**

By: /s/ Jason G. Cohen

Jason G. Cohen  
Texas Bar No. 24050435  
Jason.Cohen@bracewelllaw.com  
William A. (Trey) Wood III  
Texas Bar No. 21916050  
Trey.Wood@bracewelllaw.com  
711 Louisiana, Suite 2300  
Houston, Texas 77002  
Telephone: (713) 223-2300  
Facsimile: (713) 221-1212

**COUNSEL FOR THE DEBTORS AND  
DEBTORS IN POSSESSION**

Exhibit A

Proposed Solicitation Procedures Order

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS**

<b>In re:</b>	)	<b>Chapter 11</b>
<b>LINC USA GP, et al.</b> <sup>1</sup>	)	<b>Case No. 16-32689 (DRJ)</b>
<b>Debtors.</b>	)	<b>(Jointly Administered)</b>

**ORDER (A) GRANTING CONDITIONAL APPROVAL OF ADEQUACY OF DISCLOSURE STATEMENT (B) APPROVING SOLICITATION MATERIALS AND PROCEDURES, (C) APPROVING PLAN CONFIRMATION SCHEDULE, (D) SETTING A CONSOLIDATED HEARING ON FINAL APPROVAL OF DISCLOSURE STATEMENT AND CONFIRMATION OF DEBTORS’ JOINT CHAPTER 11 PLAN OF LIQUIDATION AND (E) GRANTING RELATED RELIEF**

Upon consideration of the expedited motion of debtors and debtors in possession Linc USA GP; Linc Energy Finance (USA), Inc.; Linc Energy Operations, Inc.; Linc Energy Resources, Inc.; Linc Gulf Coast Petroleum, Inc.; Linc Energy Petroleum (Wyoming), Inc.; Paen Insula Holdings, LLC; Linc Alaska Resources, LLC; and Linc Energy Petroleum (Louisiana), LLC (collectively, the “Debtors”) for *Entry of an Order (A) Granting Conditional Approval of Adequacy of Disclosure Statement (B) Approving Solicitation Materials and Procedures, (C) Approving Plan Confirmation Schedule, (D) Setting a Consolidated Hearing on Final Approval of Disclosure Statement and Confirmation of Debtors’ Joint Chapter 11 Plan of Liquidation and (E) Granting Related Relief* (the “Motion”),<sup>2</sup> the Court, having reviewed the Motion and all evidence submitted therewith; finds that (i) the court has jurisdiction over this matter pursuant to 28 U.S.C. § 157, (ii) venue is proper in this district pursuant to 28 U.S.C. § 1408, (iii) this is a core proceeding pursuant to 28

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<sup>1</sup> The debtors in possession in these chapter 11 cases, along with the last four digits of each debtor in possession’s federal tax identification number, are: Linc Energy Finance (USA), Inc. (6684); Linc USA GP (5234); Linc Energy Resources, Inc. (9613); Linc Gulf Coast Petroleum, Inc. (6790); Linc Energy Petroleum (Louisiana), LLC (1074); Linc Alaska Resources, LLC (2362); Paen Insula Holdings, LLC (1681); Linc Energy Petroleum (Wyoming), Inc. (9859); Diasu Holdings, LLC (9626); Diasu Oil & Gas Company, Inc. (8926); and Linc Energy Operations, Inc. (5806).

<sup>2</sup> Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Motion.

U.S.C. § 157(b) and (iv) notice of the Motion was sufficient under the circumstances. The Court, having determined that good and sufficient cause has been shown; hereby **ORDERS THAT**:

1. The Motion is GRANTED as set forth herein.
2. The Combined Hearing at which time the Court will consider, among other things, the adequacy of the Disclosure Statement and confirmation of the Plan will be held before the Honorable David R. Jones, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of Texas, Houston Division, Courtroom 400, 515 Rusk, Houston, TX 77002, **February 13, 2017 at 3:00 p.m.** (prevailing Central Time). The Combined Hearing may be continued from time to time by the Court without further notice.
3. The following dates and deadlines are approved and fixed by this Order:

<b>Proposed Timeline</b>	
Voting Record Date	January 9, 2017
Commencement of solicitation	January 13, 2017
Deadline to file Rule 3018 Motion	January 23, 2017
Deadline to file Plan Supplement	January 30, 2017
Deadline to object to Disclosure Statement and confirmation of Plan	February 6, 2017
Voting Deadline	February 6, 2017
Voting Report Deadline	February 9, 2017
Combined Hearing	February 13, 2017 at 3:00 p.m.

4. Notwithstanding Bankruptcy Rule 2002(b), no later than **February 6, 2017**, all objections to approval of the Disclosure Statement and/or confirmation of the Plan must be (a) filed with the Office of the Clerk, United States Bankruptcy Court for the Southern District of Texas, Houston Division, United States Courthouse 515 Rusk Avenue Houston, TX 77002; (b) served on the following parties so as to be received no later than 3:00 p.m. (prevailing Central Time) on **February 6, 2017**: (i) the Debtors: Linc USA GP, 23501 Cinco Ranch Blvd, Suite H120-915, Katy TX 77494; (ii) Counsel to the Debtors: Bracewell LLP, 711 Louisiana Street, Suite 2300, Houston, Texas 77002 (Attn: Jason G. Cohen, email:



jason.cohen@bracewelllaw.com); (iii) Counsel for the Committee: Pillsbury Winthrop Shaw Pittman LLP, 909 Fannin, Suite 2000 Houston, TX 77010-1018 (Attn: Hugh M. Ray, III, email: hugh.ray@pillsburylaw.com); (iv) counsel to the Ad Hoc Group of First Lien Noteholders (as that term is defined in the Final DIP Order), Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019 (Attn: Kevin O'Neill, email: koneill@paulweiss.com, and Brian S. Hermann, email: bhermann@paulweiss.com) and (v) United States Department of Justice, Office of the United States Trustee for the Southern District of Texas, Houston Division, Office of The United States Trustee 515 Rusk Street, Suite 3516, Houston, TX 77002 (Attn: Hector Duran, email: hector.duran.jr@usdoj.gov).

5. Any objections to approval of the Disclosure Statement, or confirmation of the Plan must:

- (a) be in writing;
- (b) comply with the Bankruptcy Rules, the Local Rules and orders of this Court;
- (c) state the name and address of the objecting party, and the nature and amount of any Claim or interest asserted by the objecting party against the estate or property of the Debtors; and
- (d) state with particularity the legal and factual basis for such objection.

6. Any objections not timely filed and served in the manner set forth herein may not be considered and may be overruled.

7. Kurtzman Carson Consultants LLC is authorized to serve as the Debtors' solicitation and noticing agent (the "Voting Agent") to assist the Debtors in soliciting votes on and providing notice of the Plan, including mailing solicitation packages and notices, receiving and tabulating Ballots cast on the Plan, and certifying to the Court the results of the Balloting.

8. The date by which Ballots indicating acceptance or rejection of the Plan must be received by the Voting Agent is **February 6, 2017** (as may be extended from time to time even if the time period has lapsed, the “Voting Deadline”). The period during which Ballots with respect to the Plan will be accepted by the Debtors will terminate on the Voting Deadline. The Debtors may, in their sole discretion, extend the Voting Deadline as facts and circumstances may require without further order from the Court. Except as provided herein, Ballots that are received after the Voting Deadline shall not be counted.

9. The date by which the Voting Agent must submit a report a report tabulating the votes cast (the “Voting Report”) is **February 9, 2017** (the “Voting Report Deadline”).

10. Ballots may be submitted to the Voting Agent by mail sent to Linc Energy Ballot Processing Center, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245, or electronically, either by email to [lincenergyinfo@kccllc.com](mailto:lincenergyinfo@kccllc.com) or by submission to the case website, [www.kccllc.net/linc](http://www.kccllc.net/linc).

11. Master Ballots must be submitted by mail to Linc Energy Ballot Processing Center, c/o Kurtzman Carson Consultants LLC, 1290 Avenue of the Americas, 9<sup>th</sup> Floor, New York, NY 10104, or electronically by email to [lincenergyinfo@kccllc.com](mailto:lincenergyinfo@kccllc.com).

12. Beneficial Holder Ballots must be submitted as set forth thereon or in the instructions provided by the Nominee.

13. The form of Ballots attached to the Motion as **Exhibit B** are approved; subject to the right of the Debtors to make additional correcting, conforming, and formatting changes to such form of ballot.

14. As soon as practicable, but in no event more than three (3) days after the entry of the Solicitation Procedures Order (the “Solicitation Commencement Date”), the Debtors, through

the Voting Agent, shall commence the solicitation and noticing process by placing the solicitation materials and notices approved in this Order in the mail, first class postage prepaid; provided, however, that such date may be extended by court order.

15. The solicitation materials to be transmitted on or before the Solicitation Commencement Date to holders of Claims in classes entitled to vote on the Plan shall include the following: (a) notice of the Combined Hearing and objection deadline (as provided below), (b) the Disclosure Statement, (c) the Plan, (d) an appropriate ballot, (e) a letter in support of confirmation from the Creditors Committee; and (f) a postage-prepaid pre-addressed return envelope (collectively, the "Solicitation Package").

16. The Debtors are authorized to transmit the Disclosure Statement and the Plan in CD-ROM format or other electronic means, as appropriate, with paper copies of the Plan and the Disclosure Statement available upon request to the Voting Agent.

17. The following holders of Claims are permitted to vote on the Plan and thus receive the Solicitation Package: holders of Claims in Classes 3, 4 and 5, but only holders of Claims in such classes who:

- (a) have filed timely Proofs of Claim in the amounts asserted in such Proofs of Claim, provided that such Proofs of Claim (i) have not been disallowed by an order of the Court, (ii) are not the subject of a pending objection to the entirety of the Claim, (iii) have not been reduced by order of the Court or are not subject to an objection pending before the Court for reduction (with voting permitted only in the reduced or proposed reduced amount and/or classification), (iv) do not allege Claims that are wholly unliquidated (with voting permitted only with respect to the amount thereof that is fixed), or
- (b) have not filed timely Proofs of Claim but whose claims are scheduled in the Debtors' Schedules, or any amendments thereto, but are not designated therein as contingent, unliquidated or disputed or listed therein as zero or unknown in amount, in the amounts set forth in the Schedules, or any amendments thereto.

18. Voting creditors who have filed duplicate claims for the same underlying liability that are classified in the same class, for which an objection to the duplicative claim is pending, shall be entitled to receive only one Solicitation Package and one ballot for voting their claims with respect to that class.

19. Any holder of a Claim that is (a) asserted in a Proof of Claim as wholly unliquidated, or for \$0.00, (b) asserted in an untimely Proof of Claim, or (c) asserted in a Proof of Claim as to which an objection to the entirety of the Claim is pending shall not be permitted to vote on the Plan except as provided herein or by order of the Court.

20. Claims scheduled as contingent, unliquidated, or disputed, or for \$0.00, for which no proof of claim has been filed, are not entitled to vote on the Plan.

21. Nothing in this Order affects the Debtors' right (or any other party's right, if applicable) to object to any proof of claim. With respect to any such objection, the Debtors may request, on notice, that any vote cast by the holder of a disputed Claim be disallowed and not counted in determining whether the requirements of section 1126(c) of the Bankruptcy Code have been met. In the absence of any such request, the holder of a disputed Claim shall be entitled to vote in accordance with its Proof of Claim.

22. The Voting Agent shall mail, first class postage prepaid, on or before the Solicitation Commencement Date, to the holders of Administrative Claims and Priority Tax Claims, holders of Claims in Class 1 (Other Priority Claims) and Class 2 (Other Secured Claims) and Equity Interest holders in Class 6, a notice in substantially the form attached to the Motion as **Exhibit D** (the "Notice of Non-Voting Status"), in lieu of a Solicitation Package. The Notice of Non-Voting Status satisfies the requirements of Bankruptcy Rule 3017(d).

23. Only a notice of the Combined Hearing and objection deadline shall be transmitted to (a) holders of Claims listed on the schedules, or any amendments thereto, that have already been paid in full during these cases or that are authorized to and will be paid in full in the ordinary course of business pursuant to orders previously entered by this Court and (b) except as otherwise provided in this Order, holders of claims listed on the schedules, or any amendments thereto, as contingent, unliquidated or disputed or as zero or unknown in amount, if such holders did not file Proofs of Claim.

24. No Solicitation Packages or other notices shall be transmitted to any person to whom the Debtors mailed a notice of the commencement of the case and first meeting of creditors or a notice of the bar date for filing Proofs of Claim if either of such notices was returned marked “undeliverable” or “moved no forwarding address” or for a similar reason, unless the Debtors have been informed in writing by such person of that person’s new address.

25. On or as soon as practicable after the Solicitation Commencement Date, the Debtors or the Voting Agent shall mail the Solicitation Package and all forms of Ballots and notices proposed herein to the United States Trustee for informational purposes. Solicitation Packages without Ballots will be mailed for informational purposes to counter-parties to executory contracts listed on the Debtors’ Schedules G who have not filed Proofs of Claim and are not scheduled as creditors in the Debtors’ Schedules, and to other parties on the Master Service List maintained in these cases.

26. Unless otherwise directed by the Court, the Voting Agent shall follow the guidelines set forth below in tabulating the votes to accept or reject the Plan:

- (a) Subject to paragraph b. below, the Debtors propose that any ballot that is timely received, that contains sufficient information to permit the identification of the claimant and that is cast as an acceptance or rejection of the Plan will be counted

and will be deemed to be cast as an acceptance or rejection, as the case may be, of the Plan.

- (b) The following Ballots shall not be counted or considered for any purpose in determining whether the Plan has been accepted or rejected: (i) any ballot received after the Voting Deadline unless the Debtors have granted an extension of the Voting Deadline with respect to such ballot; (ii) any ballot that is illegible or contains insufficient information to permit the identification of the claimant; (iii) any ballot cast by a person or entity that does not hold a claim in a class that is entitled to vote to accept or reject the Plan; (iv) any ballot cast for a filed proof of claim designated as unliquidated, or disputed, or as zero, or unknown in amount, and for which no Rule 3018(a) Motion has been filed by **January 23, 2017** (the “Rule 3018(a) Motion Deadline”); (v) any ballot timely received that is cast in a manner that indicates neither an acceptance nor rejection of the Plan or that indicates both an acceptance and rejection of the Plan; or (vi) any unsigned Ballot.
- (c) Subject to contrary order of this Court, the Debtors may waive any defects or irregularities as to any particular irregular Ballot at any time, either before or after the close of voting, and any such waivers will be documented in the Voting Report. Neither the Debtors, nor any other entity, will be under any duty to provide notification of defects or irregularities with respect to delivered Ballots, other than as provided in the Voting Report, nor will any of them incur any liability for failure to provide such information.
- (d) Notwithstanding Bankruptcy Rule 3018(a), whenever two or more Ballots that comply with these procedures are cast voting the same claim prior to the Voting Deadline, the last dated valid Ballot received prior to the Voting Deadline will be deemed to reflect the voter’s intent and thus to supersede any prior Ballots, without prejudice to the Debtors’ right to object to the validity of the second Ballot on any basis permitted by law, including under Bankruptcy Rule 3018(a), and, if the objection is sustained, to count the first dated valid Ballot for all purposes.
- (e) Claim splitting shall not be permitted. Creditors who vote must vote all of their Claims within a particular class to either accept or reject the Plan.
- (f) Any claimant who has delivered a valid Ballot for the acceptance or rejection of the Plan may withdraw such acceptance or rejection by delivering a written notice of withdrawal to the Voting Agent at any time prior to the Voting Deadline. A notice of withdrawal, to be valid, must (i) contain the description of the Claim to which it relates and the aggregate principal amount represented by such Claim, (ii) be signed by the withdrawing party in the same manner as the Ballot being withdrawn, (iii) contain a certification that the withdrawing party owns the Claim and possesses the right to withdraw the vote sought to be withdrawn and (iv) be received by the Voting Agent prior to the Voting Deadline.

27. Unless otherwise directed by the Court, the following special procedures for holders of First Lien Note Claims and Second Lien Note Claims (collectively, the “Note Claims”), Classes 3 and 4 in the Plan, respectively, who hold their position through a broker, bank, or other nominee or an agent of a broker, bank, or other nominee (each of the foregoing, a “Nominee”) shall apply:

- (a) KCC shall distribute or cause to be distributed the appropriate number of copies of Ballots to each beneficial holder (a “Beneficial Holder Ballot”) of a Notes Claim as of the Voting Record Date to the Nominee.
- (b) Nominees identified by KCC through which beneficial holders hold their Notes Claims will be provided with (i) Solicitation Packages for each beneficial holder represented by the Nominee as of the Voting Record Date, which will contain the appropriate Ballot for each beneficial holder, and (ii) a master Ballot (the “Master Ballot”).<sup>3</sup>
- (c) Any Nominee that is a holder of record with respect to Notes Claims shall vote on behalf of beneficial holders of such Claims by: (i) immediately but no later than three days from receipt of the Solicitation Packages, distributing the Solicitation Packages, including Beneficial Holder Ballots, it receives from KCC to all such beneficial holders;<sup>4</sup> (ii) providing such beneficial holders with a return address to send the completed Beneficial Holder Ballots; (iii) compiling and validating the votes and other relevant information of all such beneficial holders on the Master Ballot; and (iv) transmitting the Master Ballot to KCC on or before the Voting Deadline.
- (d) Any beneficial holder holding Notes Claims as a record holder in its own name may vote on the Plan by completing and signing a Beneficial Holder Ballot or Master Ballot and returning it directly to KCC on or before the Voting Deadline.
- (e) Any Beneficial Holder Ballot returned to a Nominee by a beneficial holder shall not be counted for purposes of accepting or rejecting the Plan until such Nominee

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<sup>3</sup> The Master Ballot will be distributed to Nominees no later than five days after the initial solicitation mailing.

<sup>4</sup> Solicitation Packages may be sent in paper format or via electronic transmission in accordance with the customary requirements of each Nominee. Each Nominee will then distribute the Solicitation Packages, as appropriate, in accordance with their customary practices and obtain votes to accept or reject the Plan also in accordance with their customary practices. If it is the Nominee’s customary and accepted practice to submit a “voting instruction form” to the beneficial holders for the purpose of recording the beneficial holder’s vote, the Nominee will be authorized to send the voting instruction form in lieu of, or in addition to, a Beneficial Holder Ballot.

properly completes and delivers to KCC a Master Ballot that reflects the vote of such beneficial holders on or before the Voting Deadline or otherwise validates the Beneficial Holder Ballot in a manner acceptable to KCC. Nominees shall retain all Beneficial Holder Ballots returned by beneficial holders for a period of one year after the Effective Date of the Plan.

- (f) If a beneficial holder holds Notes Claims through more than one Nominee or through multiple accounts, such beneficial holder may receive more than one Beneficial Holder Ballot and each such beneficial holder should execute a separate Beneficial Holder Ballot for each block of Notes Claims that it holds through any Nominee and must return each such Beneficial Holder Ballot to the appropriate Nominee.
- (g) Votes cast by beneficial holders through Nominees will be applied to the applicable positions held by such Nominees as of the Voting Record Date, as evidenced by the applicable securities position report(s) obtained from the Depository Trust Company. Votes submitted by a Nominee pursuant to a Master Ballot will not be counted in excess of the amount of such Claims held by such Nominee as of the Voting Record Date.
- (h) If conflicting votes or “over-votes” are submitted by a Nominee pursuant to a Master Ballot, the Voting Agent will use reasonable efforts to reconcile discrepancies with the Nominees. If over-votes on a Master Ballot are not reconciled prior to the preparation of the Voting Report, the Debtors shall apply the votes to accept and to reject the Plan in the same proportion as the votes to accept and to reject the Plan submitted on the Master Ballot that contained the over-vote, but only to the extent of the Nominee’s position as of the Voting Record Date.
- (i) For purposes of tabulating votes, each Nominee or beneficial holder will be deemed to have voted the principal amount of its Notes Claims, although any principal amounts may be adjusted by KCC to reflect the amount of the Claim actually voted, including prepetition interest.
- (j) A single Nominee may complete and deliver to KCC multiple Master Ballots. Votes reflected on multiple Master Ballots will be counted, except to the extent that they are duplicative of other Master Ballots. If two or more Master Ballots are inconsistent, the latest received valid Master Ballot received prior to the Voting Deadline will, to the extent of such inconsistency, supersede and revoke any prior received Master Ballot. Likewise, if a beneficial holder submits more than one Beneficial Holder Ballot to its Nominee, (i) the latest received Beneficial Holder Ballot Received before the submission deadline imposed by the Nominee shall be deemed to supersede any prior Beneficial Holder Ballot submitted by the beneficial holder, and (ii) the Nominee shall complete the Master Ballot accordingly.



- (k) The Debtors will, upon written request, reimburse Nominees for customary mailing and handling expenses incurred by them in forwarding the Beneficial Holder Ballot and other enclosed materials to the beneficial holders for which they are the Nominee. No fees or commissions or other remuneration will be payable to any broker, dealer, or other person for soliciting Beneficial Holder Ballots with respect to the Plan.

28. Pursuant to Section 5.01 of the Plan, for purposes of voting and determining distributions under the Plan, the Debtors will be deemed consolidated and treated as equivalent to a single entity and the following treatment will apply to the respective claims:

- (a) Any obligation of any Debtor and all guarantees and joint and several liabilities thereof executed by one or more of the Debtors shall be deemed to be one obligation of all of the consolidated Debtors.
- (b) Any claims filed or to be filed in connection with any such obligation and such guarantees and joint and several liabilities shall be deemed a single claim against the consolidated Debtors.
- (c) All duplicative claims (identical in amount and filed by the same claimant, identical in subject matter or identical in underlying basis) filed against one or more of the Debtors shall be automatically expunged so that only a single claim survives against the consolidated Debtors.
- (d) The consolidated Debtors shall be deemed, for purposes of determining the availability of the right of set-off under Bankruptcy Code section 553, to be a single entity, so that, subject to other provisions of Bankruptcy Code section 553, the debts due to a particular Debtor may be offset against the Claims against such Debtor or Debtors.

For the avoidance of doubt, no holder of an Allowed Claim shall receive more favorable treatment on account of such Claims under this Plan had consolidation not been effected.

29. Unless otherwise directed by the Court, the following opt-out procedure for voluntary releases by holders of claims are approved: provided that Plan is confirmed, where a holder of a Claim against the Debtors that (a) is unimpaired or (b) receives and returns a Ballot indicating an election not to opt out of the releases set forth in Article X, Section 10.02, the releases will be binding on such claimant.

30. By **February 9, 2017**, counsel for the Debtors shall file with the Court (a) to the extent it is not duplicative of the Voting Report, a Ballot summary in the form required by Local Bankruptcy Rule 3018(b) with a copy of the Ballots and (b) a memorandum of legal authorities addressing any unresolved objections filed to the Plan.

31. To the extent that Bankruptcy Code section 1125(b) requires that the Debtors' post-filing solicitation of acceptances for the Plan be pursuant to an approved disclosure statement, the Court conditionally approves the Disclosure Statement as having adequate information as required by Bankruptcy Code section 1125, without prejudice to any party in interest objecting to the Disclosure Statement at the Combined Hearing.

32. The form of the Notice of Disputed Claim Status, attached as **Exhibit C** to the Motion, is hereby approved. The Debtors shall serve the Notice of Disputed Claim Status as set forth in the Motion as soon as reasonably possible after entry of the this Order.

33. The form of the Notice of Non-Voting Status, attached as **Exhibit D** to the Motion, is hereby approved. The Debtors shall serve the Notice of Non-Voting Status as set forth in the Motion as soon as reasonably possible after entry of the this Order.

34. The form of Combined Hearing Notice, substantially in the form attached as **Exhibit E** to the Motion, is approved. The Combined Hearing Notice shall be included in the Solicitations Packages.

35. The Debtors are authorized to enter into transactions to cause and shall use commercially reasonable efforts to submit, the Combined Hearing Notice (in a format modified for publication) to be published on one occasion in one Texas-based publication, such as the *Houston Chronicle*, and in one national publication, such as the *USA Today National Edition*.

36. The notice procedures set forth above constitute good and sufficient notice of the Combined Hearing and the deadline and procedures for objecting to the approval of the solicitation procedures detailed in the Motion, adequacy of the Disclosure Statement, and confirmation of the Plan, and no other or further notice shall be necessary.

37. The Debtors are authorized to make nonsubstantive changes to the Disclosure Statement, the Plan, the forms of notices and Ballots and related documents without further Order of the Court, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes among the Disclosure Statement, the Plan, and any other related materials prior to their mailing to parties in interest.

38. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

39. This Court retains jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Order.

Dated: \_\_\_\_\_, 2017

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UNITED STATES BANKRUPTCY JUDGE

Exhibit B

Forms of Ballots

Exhibit B1

Master Ballot for Class 3

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS**

<b>In re:</b>	)	<b>Chapter 11</b>
<b>LINC USA GP, et al.</b> <sup>1</sup>	)	<b>Case No. 16-32689 (DRJ)</b>
<b>Debtors.</b>	)	<b>(Jointly Administered)</b>

**MASTER BALLOT FOR NOTE CLAIMS IN  
CLASS 3 (FIRST LIEN NOTE CLAIMS) FOR ACCEPTING OR  
REJECTING DEBTORS’ LIQUIDATING PLAN  
PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

**PLEASE READ AND FOLLOW THE INSTRUCTIONS CAREFULLY. PLEASE COMPLETE, SIGN, AND DATE THIS MASTER BALLOT FOR NOTE CLAIMS (AS DEFINED BELOW) IN CLASS 3 (FIRST LIEN NOTE CLAIMS) AND RETURN IT TO THE VOTING AGENT BY FIRST CLASS MAIL, OR DURING REGULAR BUSINESS HOURS BY OVERNIGHT COURIER OR HAND DELIVERY, TO: 1290 AVENUE OF THE AMERICAS, 9TH FLOOR, NEW YORK, NY 10104 OR, ELECTRONICALLY BY EMAIL TO LINCENERGYINFO@KCCLLC.COM. IF THIS MASTER BALLOT FOR NOTE CLAIMS IN CLASS 3 (FIRST LIEN NOTE CLAIMS) HAS NOT BEEN RECEIVED BY THE VOTING AGENT BY [DATE – Voting Deadline] AT 4:00 P.M. (CENTRAL TIME) (THE “VOTING DEADLINE”), THE VOTES OF THE BENEFICIAL HOLDERS OF NOTE CLAIMS IN CLASS 3 (FIRST LIEN NOTE CLAIMS) (EACH A “NOTE CLAIMANT” AND COLLECTIVELY, THE “NOTE CLAIMANTS”) WILL NOT BE COUNTED. THEREFORE, YOU MUST ALLOW SUFFICIENT TIME TO BE SURE THAT THE MASTER BALLOT FOR NOTE CLAIMS IN CLASS 3 (FIRST LIEN NOTE CLAIMS) IS RECEIVED BY THE VOTING AGENT BY THE VOTING DEADLINE.**

This Master Ballot is being sent to you because the records of the Depository Trust Company indicate that, as of [DATE] (the “Voting Record Date”), you are a broker, bank, commercial bank, trust company, dealer, or other agent or nominee thereof (each, a “Nominee”) of a beneficial holder of the First Lien Note Claims against the Debtors<sup>2</sup> (collectively, the “Note Claims”).

<sup>1</sup> The debtors in possession in these chapter 11 cases, along with the last four digits of each debtor in possession’s federal tax identification number, are: Linc Energy Finance (USA), Inc. (6684); Linc USA GP (5234); Linc Energy Resources, Inc. (9613); Linc Gulf Coast Petroleum, Inc. (6790); Linc Energy Petroleum (Louisiana), LLC (1074); Linc Alaska Resources, LLC (2362); Paen Insula Holdings, LLC (1681); Linc Energy Petroleum (Wyoming), Inc. (9859); Diasu Holdings, LLC (9626); Diasu Oil & Gas Company, Inc. (8926); and Linc Energy Operations, Inc. (5806).

<sup>2</sup> All capitalized terms used in this Master Ballot but not otherwise defined herein shall have the meanings given to such terms in the *Expedited Motion for Entry of an Order (A) Granting Conditional Approval of Adequacy of Disclosure Statement (B) Approving Solicitation Materials and Procedures, (C) Approving Plan Confirmation Schedule, (D) Setting a Consolidated Hearing on Final Approval of Disclosure Statement and Confirmation of*

This Master Ballot is to be used by you, as the representative of the Note Claimants, to transmit the votes of such Note Claimants in respect of their decision to accept or reject the Debtors' chapter 11 plan (as the same may be amended, modified, and/or supplemented, the "Plan").

By Order dated [DATE] (the "Solicitation Procedures Order"), the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "Court") conditionally approved the Debtors' disclosure statement (including all exhibits thereto, and as the same may be amended, modified, and/or supplemented from time to time, the "Disclosure Statement") as containing adequate information within the meaning of section 1125 of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). These documents are contained in the printed materials and/or CDs sent to you with this Master Ballot. The Solicitation Procedures Order also contains important information regarding the balloting process. Please also read the Solicitation Procedures Order and the instructions sent with this Master Ballot prior to submitting a Master Ballot.

As a Nominee, you are required to deliver the Solicitation Package and notices, including a Ballot (each a "Beneficial Holder Ballot"), to each Note Claimant for whom you hold Note Claims and take any action required to enable such Note Claimant to timely vote its Claim to accept or reject the Plan. You should include in each Solicitation Package a return envelope addressed to you (and not include a return envelope addressed to the Voting Agent), unless you choose to pre-validate such Beneficial Holder Ballot, in which case the Solicitation Package should include a return envelope addressed only to the Voting Agent. With respect to any Beneficial Holder Ballots returned to you, you must (1) execute this Master Ballot so as to reflect the voting instructions given to you in the Beneficial Holder Ballots by the Note Claimants for whom you hold Note Claims against the Debtors and (2) forward this Master Ballot to the Voting Agent so that it is **actually received** on or before the Voting Deadline in accordance with the Master Ballot Instructions accompanying this Master Ballot. For each completed, executed Beneficial Holder Ballot returned to you by a Note Claimant, you must retain such Beneficial Holder Ballot in your files for one year from the Voting Deadline.

## **VOTING INSTRUCTIONS**

### **VOTING DEADLINE:**

The Voting Deadline is [DATE AND TIME] (**Central Time**), unless such time is extended. To have the votes of the Note Claimants in Class 3 (First Lien Note Claims) counted, you must complete, sign, and return this Master Ballot so that it is received by the Voting Agent at the address set forth in the Master Ballot on or before the Voting Deadline. Accordingly, you should immediately transmit the enclosed Solicitation Packages, including Ballots, to the Note Claimants, with a return envelope addressed to you with instructions that the Note Claimants return their Beneficial Holder Ballots to you so as to be received by [DATE].

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*Debtors' Joint Chapter 11 Plan of Liquidation and (E) Granting Related Relief* (the "Motion"). The term "Debtors," as used herein, refers to debtors and debtors in possession Linc USA GP; Linc Energy Finance (USA), Inc.; Linc Energy Operations, Inc.; Linc Energy Resources, Inc.; Linc Gulf Coast Petroleum, Inc.; Linc Energy Petroleum (Wyoming), Inc.; Paen Insula Holdings, LLC; Linc Alaska Resources, LLC; and Linc Energy Petroleum (Louisiana), LLC.

## HOW TO VOTE:

If you are transmitting the votes of any Note Claimants other than yourself, you must deliver the Class 3 (First Lien Note Claims) Beneficial Holder Ballot to the Note Claimants, along with the Plan, Disclosure Statement, Solicitation Procedures Order, Combined Hearing Notice, and other materials requested to be forwarded, and take the necessary actions to enable such Note Claimants to complete and execute such Beneficial Holder Ballot voting to accept or reject the Plan, and to return the completed, executed Beneficial Holder Ballot to you so as to be received on or before the Voting Deadline.

With respect to all of the Beneficial Holder Ballots returned to you, you must properly complete the Master Ballot, as follows:

- i. Complete the certification of authority to vote in Item 1;
- ii. Indicate in Item 2 the total votes to accept or reject the Plan;

**IMPORTANT: NOTE CLAIMANTS MAY NOT SPLIT THEIR VOTES. EACH NOTE CLAIMANT MUST VOTE ALL OF HIS, HER, OR ITS CLAIMS IN CLASS 3 (FIRST LIEN NOTE CLAIMS) TO ACCEPT OR REJECT THE PLAN. IF ANY SUCH NOTE CLAIMANT HAS ATTEMPTED TO SPLIT SUCH VOTE BY SUBMITTING A BALLOT THAT PARTIALLY ACCEPTS AND PARTIALLY REJECTS THE PLAN, PLEASE CONTACT THE VOTING AGENT IMMEDIATELY.** Any Note Claimant that does not indicate either acceptance or rejection of the Plan, or indicates both acceptance and rejection of the Plan, will not be counted, and the votes in such ballots should not be included in your tabulation;

- iii. Transcribe the votes from the Beneficial Holder Ballots in the addendum to the Master Ballot referenced in Item 3 thereof;
- iv. Review the certification in Item 4 of the Master Ballot;
- v. Ensure that each Beneficial Holder Ballot is signed and the certification is complete;
- vi. Sign and date the Master Ballot;
- vii. Independently verify and confirm the accuracy of the information provided with respect to each individual holder of Note Claims in Class 3 (First Lien Note Claims);
- viii. If additional space is required to respond to any item on the Master Ballot, please use additional sheets of paper clearly marked to indicate the applicable item of the Master Ballot to which you are responding;
- ix. You must deliver the completed, executed Master Ballot so that it is actually received by the Voting Agent **on or before** the Voting Deadline. For each completed, executed Beneficial Holder Ballot returned to you by an individual holder, you must retain such Beneficial Holder Ballot in your files for one year from the Voting Deadline;



- x. Votes cast by Note Claimants through you will be applied against the positions held by such entities as of the Record Date (defined below). Votes submitted by you, pursuant to the Master Ballot, will not be counted in excess of the Record Amount;
- xi. To the extent that conflicting votes or “overvotes” are submitted by you, the Voting Agent, in good faith, will attempt to reconcile discrepancies with you; and
- xii. To the extent that “overvotes” on the Master Ballot are not reconcilable prior to the preparation of the vote certification, the Voting Agent will apply the votes to accept and to reject the Plan in the same proportion as the votes to accept and reject the Plan submitted on the Master Ballot that contained the “overvote,” but only to the extent of your position in the applicable security.

**PLEASE NOTE:**

This Master Ballot is not a letter of transmittal and may not be used for any purpose other than to cast votes to accept or reject the Plan. Note Claimants should not surrender, at this time, certificates representing their securities. The Voting Agent will not accept delivery of any such certificates surrendered together with a Master Ballot or Beneficial Holder Ballot.

No Master Ballot or Beneficial Holder Ballot shall constitute or be deemed to be a proof of claim, or an assertion of a Claim, an allowance of a Claim, or an admission by the Debtors of the validity of a Claim.

No fees or commissions or other remuneration will be payable to you in connection with the distribution of Solicitation Packages or the preparation of the Master Ballot.

**PLEASE RETURN YOUR MASTER BALLOT PROMPTLY TO THE VOTING AGENT BY MAIL, HAND-DELIVERY OR OVERNIGHT COURIER AT:**

**LINC ENERGY BALLOT PROCESSING CENTER  
c/o KURTZMAN CARSON CONSULTANTS LLC  
1290 AVENUE OF THE AMERICAS, 9TH FLOOR  
NEW YORK, NY 10104**

**OR, ELECTRONICALLY BY EMAIL TO  
[lincenergyinfo@kccllc.com](mailto:lincenergyinfo@kccllc.com)**

**IF YOU BELIEVE THAT YOU ARE MISSING ANY MATERIALS FROM THE SOLICITATION PACKAGE, HAVE RECEIVED THE WRONG BALLOTS OR MASTER BALLOT, HAVE QUESTIONS REGARDING THE BALLOTS OR MASTER BALLOT, OR THE VOTING PROCEDURES, OR IF YOU NEED ADDITIONAL COPIES OF OTHER ENCLOSED MATERIALS, PLEASE CALL THE VOTING AGENT AT (877) 833-4150 FOR CALLS ORIGINATING FROM THE UNITED STATES OR CANADA, AND (917) 281-4800 FOR CALLS ORIGINATING FROM OUTSIDE OF THE UNITED STATES OR CANADA. DO NOT CONTACT THE VOTING AGENT**

**FOR LEGAL ADVICE. THE VOTING AGENT CANNOT AND WILL NOT PROVIDE PARTIES WITH LEGAL ADVICE.**

**Item 1. CERTIFICATION OF AUTHORITY TO VOTE.** The undersigned certifies that as of [DATE] (the “Record Date”), the undersigned (please check applicable box):

- Is a nominee and/or an intermediary for the Note Claimants of the aggregate principal amount listed in Item 2 below; or
- Is acting under a power of attorney and/or agency (a copy of which will be provided upon request) granted by a Nominee that is the registered holder of the aggregate principal amount listed in Item 2 below; or
- Has been granted a proxy (an original of which is attached hereto) from a nominee that is the registered holder of the aggregate principal amount listed in Item 2 below and accordingly, has full power and authority to vote to accept or reject the Plan on behalf of the Note Claimants in Class 3 (First Lien Note Claims) as described below.

**Item 2. TABULATION OF BENEFICIAL OWNER VOTING.** The undersigned certifies that:

**A. Note Claims in Class 3 (First Lien Note Claims)**

**Acceptances.** \_\_\_\_\_ holders of Note Claims in Class 3 (First Lien Note Claims) in the aggregate unpaid principal amount of \$\_\_\_\_\_ have delivered duly completed Beneficial Holder Ballots to the undersigned voting to **ACCEPT** the Plan; and

**Rejections.** \_\_\_\_\_ holders of Note Claims in Class 3 (First Lien Note Claims) in the aggregate unpaid principal amount of \$\_\_\_\_\_ have delivered duly completed Beneficial Holder Ballots to the undersigned voting to **REJECT** the Plan.

**Item 3. TRANSMITTAL OF VOTES FROM BENEFICIAL HOLDER BALLOTS.** The undersigned transmits the votes of holders of Note Claims in Class 3 (First Lien Note Claims) as fully set forth below and certifies that the parties listed are the Note Claimants, as of the Record Date, and have delivered to the undersigned, as the Nominee, Beneficial Holder Ballots casting such votes, including any such votes that purport to opt out of the releases set forth in Item 4 of the Beneficial Holder Ballots, which, which, as set forth in each column therein, indicate the aggregate principal amount voted for each claim, and whether such claim is voted to accept or reject the Plan:

**Voting Summary of Note Claimants in Class 3 (First Lien Note Claims)**

Name or Account Number for Each Note Claimant in Class 3 (First Lien Note Claims) Voting on the Plan	Principal Amount of Note Claim Voted	Principal Amount of Note Claims in Class 3 (First Lien Note Claims) Voted to ACCEPT the Plan <sup>3</sup>	Principal Amount of Note Claims in Class 3 (First Lien Note Claims) Voted to REJECT the Plan*	If the box in Item 4 was completed on the Ballot, check the box in the column below
1.		\$	\$	<input type="checkbox"/>
2.		\$	\$	<input type="checkbox"/>
3.		\$	\$	<input type="checkbox"/>
4.		\$	\$	<input type="checkbox"/>
5.		\$	\$	<input type="checkbox"/>
<b>TOTALS</b>		\$	\$	

[If space is insufficient, attach additional sheets in the same format.]

**Item 4. CERTIFICATION AS TO TRANSCRIPTION OF INFORMATION FROM ITEM 2 OF THE BENEFICIAL HOLDER BALLOT AS TO OTHER NOTE CLAIMS IN CLASS 3 (FIRST LIEN NOTE CLAIMS) VOTED THROUGH OTHER BENEFICIAL HOLDER BALLOTS.**

The undersigned certifies that the undersigned has transcribed in the following table the information, if any, provided by Note Claimants in Item 3 of the original Note Ballots, identifying any Note Claims in Class 3 (First Lien Note Claims) for which such holders have submitted other Beneficial Holder Ballots other than to the undersigned:

Your Customer Account Number For Each Note Claims in Class 3 (First Lien Note Claims) Voted	TRANSCRIBE FROM ITEM 3 OF THE BENEFICIAL HOLDER BALLOTS:			
	Account Number	Name of Holder	Principal Amount of Other Note Claims in Class 3 (First Lien Note Claims) Voted	CUSIP/ISIN of Other Claims Voted (if applicable)
1.				
2.				
3.				
4.				
5.				
6.				
7.				

<sup>3</sup> Please note that each Note Claimant must vote all of his, her, or its Note Claims in Class 3 (First Lien Note Claims) to accept or reject the Plan, and may not split such vote.

**Item 5. IMPORTANT INFORMATION REGARDING THIRD PARTY RELEASE.**

The third-party releases<sup>4</sup> in Section 10.02 provide as follows:

**Section 10.02 Certain Voluntary Releases by Holders of Claims**

**Except as otherwise expressly provided in this Plan or the Confirmation Order, and to the fullest extent authorized by applicable law, for good and valuable consideration, the adequacy of which is hereby confirmed, the Released Parties are deemed released and discharged by (a) each other Released Party and (b) the Releasing Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, remedies, Causes of Action, rights of setoff, other rights, and liabilities whatsoever, whether for tort, contract, violations of federal or state securities laws, Avoidance Actions, including any derivative claims, asserted or that could possibly have been asserted directly or indirectly on behalf of the Releasing Parties or their Affiliates, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, and any and all Causes of Action asserted or that could possibly have been asserted on behalf of a Released Party or a Releasing Party or any of its Affiliates (whether individually or collectively) or on behalf of the holder of any Claim or Equity Interest or other Entity, based on or in any way relating to, or in any manner arising from, in whole or in part, the Debtors, their Estates or their Affiliates, the conduct of the Debtors' businesses, the formulation, preparation, solicitation, dissemination, negotiation, or filing of the Disclosure Statement or Plan or any contract, instrument, release, or other agreement or document created or entered into in connection with or pursuant to**

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<sup>4</sup> The Plan defines "Released Parties" as "each of: (a) the Debtors; (b) the Creditor Trustee; (c) the Creditors Committee; (d) the Ad Hoc Noteholder Group and its members; (e) the Prepetition Noteholders; (f) the Indenture Trustees; (g) the DIP Agent; (h) the DIP Lenders; and (j) in each case, their predecessors, successors and assigns, professionals, advisors, accountants, attorneys, investment bankers, and consultants, and in the case of (b) through (h), their current and former affiliates, subsidiaries, funds, portfolio companies, management companies, employees, agents, directors and officers, and other representatives (each solely in their capacity as such). For the avoidance of doubt, the Debtors' directors and officers are not included in the definition of 'Released Parties.'" Plan, Art. I ¶ 101. The Plan defines "Exculpated Parties" as "each of: (a) the Debtors; (b) the Creditor Trustee; (c) the Creditors Committee; (d) the Ad Hoc Noteholder Group and its members; (e) the Prepetition Noteholders; (f) the Indenture Trustees; (g) the DIP Agent; (h) the DIP Lenders; and (j) in each case, their predecessors, successors and assigns, current and former affiliates, subsidiaries, funds, portfolio companies, management companies, current and former officers, directors, professionals, advisors, accountants, attorneys, investment bankers, consultants, employees, agents and other representatives (each solely in their capacity as such)." Plan, Art. I ¶ 53. The Plan defines "Releasing Parties" as "each holder of a Claim against the Debtors that (a) is Unimpaired pursuant to this Plan and therefore is deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code, or (b) receives and returns a Ballot indicating an election not to opt out of the releases provided in Section 10.02 herein." Plan, Art. I ¶ 102.

the Disclosure Statement, or this Plan, the filing and prosecution of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in this Plan, the business or contractual arrangements between the Debtors, their Estates or their Affiliates, on the one hand, and any Released Party, on the other hand, prepetition contracts and agreements with one or both Debtors, or any other act or omission, transaction, agreement, event, or other occurrence taking place before the Effective Date; provided that to the extent that a claim or Cause of Action is determined by a Final Order to have resulted from fraud, gross negligence or willful misconduct of a Released Party, such claim or Cause of Action shall not be so released against such Released Party. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release (i) any obligations arising on or after the Effective Date of any party under this Plan, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan; and (ii) the right of the Debtors or the Creditor Trustee to object to Claims filed by any Person against any Debtor or an Estate, or to assert counterclaims or defenses in respect of such Claims, including rights of setoff, refund, recoupment or other adjustments as provided for herein. Notwithstanding anything in the above and in this Plan, nothing in the above paragraph or this Plan shall impair the Creditor Trust in bringing any claim or asserting any cause of action against any former officers, directors, managers, agents, employees, or fiduciaries of any of the Debtors.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the release set forth in this Section 10.02, which includes by reference each of the related provisions and definitions contained herein, and further, shall constitute the Bankruptcy Court's finding that such release is: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the claims released by this Section 10.02; (c) in the best interests of the Debtors, their Estates and all holders of Claims and Equity Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to any Entity asserting any claim or Cause of Action released by this Section 10.02.

**Item 6. CERTIFICATION.** By signing this Master Ballot, the undersigned certifies that: (a) each Note Claimant holding a Claim(s) in Class 3 (First Lien Note Claims) whose vote is being transmitted by this Master Ballot has been provided with a copy of the Plan, Disclosure Statement, Solicitation Procedures Order, and a Ballot for voting its Claim(s); and (b) each Note Claimant has not cast more than one vote with respect to any given Claim for any purpose, including for determining both the number of votes and the amount of the Claim, even if such holder holds securities of the same type in more than one account. The undersigned also acknowledges that the solicitation of votes in Class 3 (First Lien Note Claims) to accept or reject the Plan is subject to all the terms and conditions set forth in the Solicitation Procedures Order, dated [DATE OF SOLICITATION PROCEDURES ORDER]

*[Remainder of page intentionally left blank]*

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Name of Nominee

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DTC Participant Number

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Signature

---

If by Authorized Agent, Name and Title

---

Street Address

---

City, State, Zip Code

---

Telephone Number

---

Email

---

Date Completed

**In order to vote Note Claims in Class 3 (First Lien Note Claims) to accept or reject the Plan, please complete, sign, and date this Master Ballot and promptly return it in by one of the following methods, as appropriate, so as to be received on or prior to the Voting Deadline, by regular mail, or by hand delivery or overnight courier during normal business hours, to: Linc Energy Ballot Processing Center, c/o Kurtzman Carson Consultants LLC 1290 Avenue of the Americas, 9th Floor, New York, NY 10104; or electronically by email to [lincenergyinfo@kccllc.com](mailto:lincenergyinfo@kccllc.com).**

**MASTER BALLOTS RECEIVED AFTER THE VOTING DEADLINE, WILL NOT BE COUNTED.**

Exhibit B2

Beneficial Holder Ballot for Class 3



**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS**

<p style="text-align: center;"><b>In re:</b></p> <p style="text-align: center;"><b>LINC USA GP, et al.<sup>1</sup></b></p> <p style="text-align: center;"><b>Debtors.</b></p>	) ) ) ) )	<p style="text-align: center;"><b>Chapter 11</b></p> <p style="text-align: center;"><b>Case No. 16-32689 (DRJ)</b></p> <p style="text-align: center;"><b>(Jointly Administered)</b></p>
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**BENEFICIAL HOLDER BALLOT FOR NOTE CLAIMS IN  
CLASS 3 (FIRST LIEN NOTE CLAIMS)  
FOR ACCEPTING OR REJECTING DEBTORS' PLAN  
OF LIQUIDATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

PLEASE READ CAREFULLY AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING THIS BALLOT (THE "BENEFICIAL HOLDER BALLOT") **BEFORE** COMPLETING THIS BENEFICIAL HOLDER BALLOT.

IN ORDER FOR YOUR VOTE TO BE COUNTED, ALL PRE-VALIDATED BENEFICIAL HOLDER BALLOTS (INCLUDING MASTER BALLOTS<sup>2</sup> CAST ON BEHALF OF BENEFICIAL HOLDER BALLOTS THAT WERE NOT PRE-VALIDATED) MUST BE COMPLETED, EXECUTED AND RETURNED SO AS TO BE **ACTUALLY RECEIVED** BY THE VOTING AGENT BY [DATE] AT 4:00 P.M. (CENTRAL TIME) (THE "VOTING DEADLINE") IN ACCORDANCE WITH THE FOLLOWING:

**IF YOU RECEIVED A RETURN ENVELOPE ADDRESSED TO YOUR NOMINEE:**

YOUR NOMINEE HAS NOT PRE-VALIDATED THIS BENEFICIAL HOLDER BALLOT. YOU MUST RETURN THIS BENEFICIAL HOLDER BALLOT TO YOUR NOMINEE IN ACCORDANCE WITH THE ENCLOSED INSTRUCTIONS FROM YOUR NOMINEE, AND IN ANY EVENT, BY [DATE] TO PERMIT YOUR NOMINEE TO DELIVER A MASTER BALLOT (THE "MASTER BALLOT") INCLUDING YOUR VOTE TO THE VOTING AGENT SO IT IS **ACTUALLY RECEIVED** ON OR BEFORE THE VOTING DEADLINE.

DO NOT RETURN THE BENEFICIAL HOLDER BALLOT TO THE INDENTURE TRUSTEE.

<sup>1</sup> The debtors in possession in these chapter 11 cases, along with the last four digits of each debtor in possession's federal tax identification number, are: Linc Energy Finance (USA), Inc. (6684); Linc USA GP (5234); Linc Energy Resources, Inc. (9613); Linc Gulf Coast Petroleum, Inc. (6790); Linc Energy Petroleum (Louisiana), LLC (1074); Linc Alaska Resources, LLC (2362); Paen Insula Holdings, LLC (1681); Linc Energy Petroleum (Wyoming), Inc. (9859); Diasu Holdings, LLC (9626); Diasu Oil & Gas Company, Inc. (8926); and Linc Energy Operations, Inc. (5806).

<sup>2</sup> Capitalized terms used in this Beneficial Holder Ballot or the attached instructions but not otherwise defined herein shall have the meanings given to such terms in the *Expedited Motion for Entry of an Order (A) Granting Conditional Approval of Adequacy of Disclosure Statement (B) Approving Solicitation Materials and Procedures, (C) Approving Plan Confirmation Schedule, (D) Setting a Consolidated Hearing on Final Approval of Disclosure Statement and Confirmation of Debtors' Joint Chapter 11 Plan of Liquidation and (E) Granting Related Relief* (the "Motion").

**IF YOU RECEIVED A RETURN ENVELOPE ADDRESSED TO THE VOTING AGENT:**

EITHER: (1) YOUR VOTING NOMINEE HAS PRE-VALIDATED THIS BENEFICIAL HOLDER BALLOT, OR (2) YOU HAVE BEEN IDENTIFIED AS A REGISTERED HOLDER. THEREFORE, YOU MUST RETURN THIS PRE-VALIDATED BENEFICIAL HOLDER BALLOT DIRECTLY TO THE VOTING AGENT SO IT IS **ACTUALLY RECEIVED** ON OR BEFORE THE VOTING DEADLINE.

This Beneficial Holder Ballot is submitted to you to solicit your vote to accept or reject the debtors' chapter 11 plan (as the same may be amended, modified, and/or supplemented, the "Plan") submitted by debtors and debtors in possession Linc USA GP; Linc Energy Finance (USA), Inc.; Linc Energy Operations, Inc.; Linc Energy Resources, Inc.; Linc Gulf Coast Petroleum, Inc.; Linc Energy Petroleum (Wyoming), Inc.; Paen Insula Holdings, LLC; Linc Alaska Resources, LLC; and Linc Energy Petroleum (Louisiana), LLC (the "Debtors"), and described in the related disclosure statement (the "Disclosure Statement") conditionally approved by an order of the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "Court"). The Disclosure Statement provides information to assist you in deciding how to vote your Beneficial Holder Ballot. If you do not have a Disclosure Statement or Plan, you may obtain a copy by contacting Kurtzman Carson Consultants LLC (the "Voting Agent") by email at LincEnergyInfo@kccllc.com, or by phone at (877) 634-7166 for calls originating from the United States or Canada and (424) 236-7222 for calls originating from outside the United States or Canada, or you can access a copy at the case-dedicated website, www.kccllc.net/linc. Copies of the Disclosure Statement and the Plan are also available for inspection during regular business hours at the office of the Clerk of the United States Bankruptcy Court for the Southern District of Texas, 515 Rusk Avenue, Houston, Texas 77002. In addition, copies of the Disclosure Statement and the Plan may be obtained for a fee from the Court's website at <https://ecf.txs.uscourts.gov/>. You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and your classification and treatment under the Plan.

The Plan can be confirmed by the Court and thereby made binding on you if it is accepted by the holders of at least two-thirds in amount and more than one-half in number of the Claims in each impaired Class which vote on the Plan, and if the Plan otherwise satisfies the applicable requirements of section 1129(a) of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code"). The votes of those Claims actually voted in your Class will bind those who do not vote. If the requisite acceptances are not obtained, the Court may nonetheless confirm the Plan if it finds that the Plan (a) provides fair and equitable treatment to, and does not unfairly discriminate against, the Class or Classes rejecting the Plan, and (b) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code.

**VOTING INFORMATION AND INSTRUCTIONS FOR COMPLETING BALLOT**

1. This Beneficial Holder Ballot is to be used for voting by the record holders of the First Lien Note Claims against the Debtors, as identified by a beneficiary list held by the

Indenture Trustee. If you hold Claims in other Classes in which you are entitled to vote, you will receive a Ballot for each such other Class.

2. **Each Beneficial Holder Ballot you receive is for voting only claims from the First Lien Note Claims held as of the Voting Record Date (the “Note Claims”). Please complete and return each Beneficial Holder Ballot you receive in accordance with the instructions therein. The attached Beneficial Holder Ballot is designated only for voting Note Claims in Class 3 (First Lien Note Claims).**

3. In the boxes provided in Item 2 of the Beneficial Holder Ballot below, please indicate either acceptance or rejection of the Plan. Complete the Beneficial Holder Ballot by providing all of the information requested. Beneficial Holder Ballots must be returned in the enclosed envelope, either to (a) the Nominee or (b) the Voting Agent directly, if your ballot has been pre-validated or if you are a record holder. Regardless of whether the Beneficial Holder Ballot is sent to the Nominee or the Voting Agent directly, all Beneficial Holder Ballots (including Master Ballots cast on behalf of Note Claims by Nominees) must be properly completed, signed, and returned to the Voting Agent so that it is **actually received** by the Voting Agent by no later than the Voting Deadline. If a Ballot is received after the applicable deadline, it will not be counted.

4. IF YOU RECEIVED A RETURN ENVELOPE ADDRESSED TO YOUR NOMINEE, YOUR NOMINEE HAS NOT PRE-VALIDATED YOUR BENEFICIAL HOLDER BALLOT, AND YOU MUST RETURN YOUR BENEFICIAL HOLDER BALLOT TO YOUR NOMINEE USING THE ENCLOSED ENVELOPE. PLEASE RETURN THE BENEFICIAL HOLDER BALLOT BY [DATE] TO ALLOW SUFFICIENT TIME FOR YOUR NOMINEE TO RECEIVE YOUR BENEFICIAL HOLDER BALLOT AND PROCESS YOUR VOTE ON A MASTER BALLOT SUCH THAT THE MASTER BALLOT IS RECEIVED BY THE VOTING AGENT ON OR BEFORE THE VOTING DEADLINE.

5. If neither the “accept” nor “reject” box is checked in Item 2 below, or if both the “accept” and “reject” boxes are checked, for an otherwise properly completed, executed, and timely returned Beneficial Holder Ballot, the Beneficial Holder Ballot will not be counted. Any Beneficial Holder Ballot that is illegible, does not bear an original signature, or does not provide sufficient information to identify the claim holder will not be counted.

6. You must vote all of your Note Claims in Class 3 (First Lien Note Claims) under the Plan either to accept or reject the Plan and may not split your vote. An otherwise properly completed, executed, and timely returned Beneficial Holder Ballot that attempts to partially accept and partially reject the Plan, or that attempts to both accept and reject the Plan will **not** be counted. Your vote to accept or reject the Plan must be unequivocal and not conditional or qualified in any way.

7. The Beneficial Holder Ballot does not constitute, and will not be deemed, a proof of claim or Equity Interest, an assertion of a Claim, an allowance of a Claim, or an admission by the Debtors of the validity of a Claim.

8. If you cast more than one Beneficial Holder Ballot voting the same Note Claim(s) prior to the Voting Deadline, the latest dated, properly executed Beneficial Holder Ballot received before the Voting Deadline will be deemed to reflect your intent and supersede any prior Beneficial Holder Ballots. If you cast Beneficial Holder Ballots received by the Nominee on the same day, but which are voted inconsistently, such Beneficial Holder Ballots will not be counted.

9. If you wish to have your Claim allowed for purposes of voting on the Plan in a manner that is inconsistent with the Ballot you received or if you did not receive a Ballot and wish to have your Claim temporarily allowed for voting purposes only, you must serve on the as set forth in the Motion, on or before [3018 Objection Deadline] (Central Time), a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such Claim for purposes of voting (the "Rule 3018 Motion"). A Rule 3018 Motion must set forth with particularity the amount and classification of which you believe your Note Claims should be allowed for voting purposes and the evidence in support of your belief. In respect of any timely-filed Rule 3018 Motion, the Ballot in question shall be counted (a) in the amount established by the Court in an order entered on or before the Voting Deadline or (b) if such an order has not been entered by the Voting Deadline and unless the Debtor, the Committee and you have come to an agreement as to the relief requested in the Rule 3018 Motion, in an amount equal to the amount on the Ballot or in the event you did not receive a Ballot, you shall not have a Ballot counted at all. The Court will schedule a hearing on such motion to be heard at or prior to the Combined Hearing.

10. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR ADVICE, OR TO MAKE ANY REPRESENTATION, OTHER THAN WHAT IS CONTAINED IN THE MATERIALS MAILED WITH THIS BENEFICIAL HOLDER BALLOT OR OTHER MATERIALS AUTHORIZED BY THE COURT.

11. PLEASE RETURN YOUR BENEFICIAL HOLDER BALLOT TO THE NOMINEE THAT SENT YOU THE BENEFICIAL HOLDER BALLOT USING THE ENCLOSED RETURN ENVELOPE BY [DATE]. DO NOT RETURN THE BENEFICIAL HOLDER BALLOT TO THE INDENTURE TRUSTEE.

12. PLEASE RETURN YOUR BENEFICIAL HOLDER BALLOT PROMPTLY. UNLESS IT DIRECTS OTHERWISE, THE NOMINEE WILL **NOT** ACCEPT BENEFICIAL HOLDER BALLOTS BY FACSIMILE, EMAIL OR OTHER ELECTRONIC TRANSMISSION.

13. IF YOU HAVE RECEIVED A DAMAGED BENEFICIAL HOLDER BALLOT, HAVE LOST YOUR BENEFICIAL HOLDER BALLOT, OR IF YOU HAVE ANY QUESTIONS CONCERNING THIS BENEFICIAL HOLDER BALLOT OR THE VOTING PROCEDURES, PLEASE CALL THE VOTING AGENT AT (877) 634-7166 FOR CALLS ORIGINATING FROM THE UNITED STATES OR CANADA AND (424) 236-7222 FOR CALLS ORIGINATING FROM OUTSIDE THE UNITED STATES OR CANADA.

14. PLEASE NOTE THAT THE VOTING AGENT'S STAFF IS NOT PERMITTED TO GIVE LEGAL ADVICE. ANY PARTY RECEIVING THIS BENEFICIAL HOLDER BALLOT SHOULD CONSULT AN ATTORNEY REGARDING ANY QUESTIONS IT MAY

HAVE RELATING TO THIS BENEFICIAL HOLDER BALLOT AND THE OTHER DOCUMENTS REFERENCED HEREIN.

*[Remainder of page intentionally left blank]*

**PLEASE READ THE ATTACHED VOTING INFORMATION AND INSTRUCTIONS BEFORE COMPLETING THIS BENEFICIAL HOLDER BALLOT**

PLEASE COMPLETE ALL ITEMS BELOW. IF THIS BENEFICIAL HOLDER BALLOT IS NOT SIGNED ON THE APPROPRIATE LINES, THIS BENEFICIAL HOLDER BALLOT WILL NOT BE VALID OR COUNTED AS HAVING BEEN CAST.

**Item 1. Type of Note Claim.** The undersigned certifies that he, she or it is a holder of a **Note Claim in Class 3 (First Lien Note Claims)**.

**Item 2. Class Vote.** The undersigned, a holder of a **Note Claim in Class 3 (First Lien Note Claims)** in the amount set forth below, votes to (check one box):

- Accept** the Plan.  **Reject** the Plan.

Voting Principal Amount: \$ \_\_\_\_\_

**Item 3. Certifications as to Note Claims in Class 3 (First Lien Note Claims) Held in Additional Accounts.**

By completing and returning this Beneficial Holder Ballot, the undersigned certifies that either (1) it has not submitted any other Beneficial Holder Ballots for other Note Claims in Class 3 (First Lien Note Claims) held in other accounts or other record names or (2) it has provided the information specified in the following table for all other Note Claims in Class 3 (First Lien Note Claims)<sup>1</sup> for which it has submitted additional Beneficial Holder Ballots, each of which indicates the same vote to accept or reject the Plan (please use additional sheets of paper if necessary):

**ONLY COMPLETE THIS SECTION IF YOU HAVE VOTED NOTE CLAIMS IN CLASS 3 (FIRST LIEN NOTE CLAIMS) ON A BENEFICIAL HOLDER BALLOT OTHER THAN THIS BENEFICIAL HOLDER BALLOT.**

Name of Holder	Account Number	Principal Amount of Other Note Claims in Class 3 (First Lien Note Claims)Voted	CUSIP/ISIN of Other Claims Voted (if applicable)
		\$	
1.		\$	
2.		\$	
3.		\$	
4.		\$	
5.		\$	
6.		\$	
7.		\$	
8.		\$	
9.		\$	

[If space is insufficient, attach additional sheets in the same format.]

<sup>1</sup> List your name if the Note Claim in Class 3 (First Lien Note Claims) is held by you in record name. If the Note Claim in Class 3 (First Lien Note Claims) is held in "street name," please list the name of your Nominee.

**Item 4. [OPTIONAL] Releases.**

**IMPORTANT INFORMATION REGARDING CERTAIN RELEASES BY HOLDERS OF CLAIMS:**

**ONLY** IF YOU CHECK THE BOX BELOW, WILL YOU BE DEEMED TO HAVE OPTED OUT OF THE RELEASES IN SECTION 10.02 OF THE PLAN (AS SET FORTH BELOW). IF YOU DO NOT CHECK THE BOX BELOW, YOU WILL BE BOUND BY THE RELEASES SET FORTH IN SECTION 10.02 OF THE PLAN.

By checking the box below, the holder of Claim(s) set forth in Item 1 elects to:

- Opt out of the release provided in Section 10.02 of the Plan

**The third-party releases<sup>2</sup> in Section 10.02 provide as follows:**

**Section 10.02 Certain Voluntary Releases by Holders of Claims**

**Except as otherwise expressly provided in this Plan or the Confirmation Order, and to the fullest extent authorized by applicable law, for good and valuable consideration, the adequacy of which is hereby confirmed, the Released Parties are deemed released and discharged by (a) each other Released Party and (b) the Releasing Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, remedies, Causes of Action, rights of setoff, other rights, and liabilities whatsoever, whether for tort, contract, violations of federal or state securities laws, Avoidance Actions, including any derivative claims, asserted or that could possibly have been asserted directly or indirectly on behalf of the Releasing Parties or their Affiliates, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise,**

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<sup>2</sup> The Plan defines "Released Parties" as "each of: (a) the Debtors; (b) the Creditor Trustee; (c) the Creditors Committee; (d) the Ad Hoc Noteholder Group and its members; (e) the Prepetition Noteholders; (f) the Indenture Trustees; (g) the DIP Agent; (h) the DIP Lenders; and (j) in each case, their predecessors, successors and assigns, professionals, advisors, accountants, attorneys, investment bankers, and consultants, and in the case of (b) through (h), their current and former affiliates, subsidiaries, funds, portfolio companies, management companies, employees, agents, directors and officers, and other representatives (each solely in their capacity as such). For the avoidance of doubt, the Debtors' directors and officers are not included in the definition of 'Released Parties.'" Plan, Art. I ¶ 101. The Plan defines "Exculpated Parties" as "each of: (a) the Debtors; (b) the Creditor Trustee; (c) the Creditors Committee; (d) the Ad Hoc Noteholder Group and its members; (e) the Prepetition Noteholders; (f) the Indenture Trustees; (g) the DIP Agent; (h) the DIP Lenders; and (j) in each case, their predecessors, successors and assigns, current and former affiliates, subsidiaries, funds, portfolio companies, management companies, current and former officers, directors, professionals, advisors, accountants, attorneys, investment bankers, consultants, employees, agents and other representatives (each solely in their capacity as such)." Plan, Art. I ¶ 53. The Plan defines "Releasing Parties" as "each holder of a Claim against the Debtors that (a) is Unimpaired pursuant to this Plan and therefore is deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code, or (b) receives and returns a Ballot indicating an election not to opt out of the releases provided in Section 10.02 herein." Plan, Art. I ¶ 102.

and any and all Causes of Action asserted or that could possibly have been asserted on behalf of a Released Party or a Releasing Party or any of its Affiliates (whether individually or collectively) or on behalf of the holder of any Claim or Equity Interest or other Entity, based on or in any way relating to, or in any manner arising from, in whole or in part, the Debtors, their Estates or their Affiliates, the conduct of the Debtors' businesses, the formulation, preparation, solicitation, dissemination, negotiation, or filing of the Disclosure Statement or Plan or any contract, instrument, release, or other agreement or document created or entered into in connection with or pursuant to the Disclosure Statement, or this Plan, the filing and prosecution of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in this Plan, the business or contractual arrangements between the Debtors, their Estates or their Affiliates, on the one hand, and any Released Party, on the other hand, prepetition contracts and agreements with one or both Debtors, or any other act or omission, transaction, agreement, event, or other occurrence taking place before the Effective Date; provided that to the extent that a claim or Cause of Action is determined by a Final Order to have resulted from fraud, gross negligence or willful misconduct of a Released Party, such claim or Cause of Action shall not be so released against such Released Party. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release (i) any obligations arising on or after the Effective Date of any party under this Plan, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan; and (ii) the right of the Debtors or the Creditor Trustee to object to Claims filed by any Person against any Debtor or an Estate, or to assert counterclaims or defenses in respect of such Claims, including rights of setoff, refund, recoupment or other adjustments as provided for herein. Notwithstanding anything in the above and in this Plan, nothing in the above paragraph or this Plan shall impair the Creditor Trust in bringing any claim or asserting any cause of action against any former officers, directors, managers, agents, employees, or fiduciaries of any of the Debtors.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the release set forth in this Section 10.02, which includes by reference each of the related provisions and definitions contained herein, and further, shall constitute the Bankruptcy Court's finding that such release is: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the claims released by this Section 10.02; (c) in the best interests of the Debtors, their Estates and all holders of Claims and



**Equity Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to any Entity asserting any claim or Cause of Action released by this Section 10.02.**

*[Remainder of page intentionally left blank]*

**Item 5. Acknowledgments.** By signing this Beneficial Holder Ballot, the undersigned acknowledges receipt of the Disclosure Statement and the other applicable solicitation materials and certifies that the undersigned is the claimant or has the power and authority to vote to accept or reject the Plan on behalf of the claimant. The undersigned understands that an otherwise properly completed, executed, and timely returned Beneficial Holder Ballot that does not indicate either acceptance or rejection of the Plan, or indicates both acceptance and rejection of the Plan, will not be counted.

---

Name of Creditor

---

Signature

---

If by Authorized Agent, Name and Title

---

Name of Institution

---

Street Address

---

City, State, Zip Code

---

Telephone Number

---

Email

---

Date Completed

**PLEASE MAKE SURE YOU HAVE PROVIDED ALL INFORMATION REQUESTED ON THIS BENEFICIAL HOLDER BALLOT. PLEASE READ AND FOLLOW THE INSTRUCTIONS SET FORTH HEREIN CAREFULLY. PLEASE COMPLETE, SIGN, AND DATE THIS BENEFICIAL HOLDER BALLOT AND RETURN IT BY MAIL, HAND DELIVERY, OR OVERNIGHT COURIER IN THE ENVELOPE PROVIDED TO THE ADDRESSEE SPECIFIED THEREON. IF THE VOTING AGENT DOES NOT ACTUALLY RECEIVE THIS BENEFICIAL HOLDER BALLOT (IF PRE-VALIDATED) OR THE MASTER BALLOT INCORPORATING THE VOTE CAST BY THIS BENEFICIAL HOLDER BALLOT ON OR BEFORE THE VOTING DEADLINE, YOUR VOTE TRANSMITTED BY THIS BENEFICIAL HOLDER BALLOT WILL NOT BE COUNTED.**

Exhibit B3

Master Ballot for Class 4

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS**

<b>In re:</b>  <b>LINC USA GP, et al.</b> <sup>1</sup>  <p style="text-align: center;"><b>Debtors.</b></p>	) ) ) ) )	<b>Chapter 11</b>  <b>Case No. 16-32689 (DRJ)</b>  <b>(Jointly Administered)</b>
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**MASTER BALLOT FOR NOTE CLAIMS IN  
CLASS 4 (SECOND LIEN NOTE CLAIMS) FOR ACCEPTING OR  
REJECTING DEBTORS' LIQUIDATING PLAN  
PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

**PLEASE READ AND FOLLOW THE INSTRUCTIONS CAREFULLY. PLEASE COMPLETE, SIGN, AND DATE THIS MASTER BALLOT FOR NOTE CLAIMS (AS DEFINED BELOW) IN CLASS 4 (SECOND LIEN NOTE CLAIMS) AND RETURN IT TO THE VOTING AGENT<sup>2</sup> BY FIRST CLASS MAIL, OR DURING REGULAR BUSINESS HOURS BY OVERNIGHT COURIER OR HAND DELIVERY, TO: LINC ENERGY BALLOT PROCESSING CENTER, C/O KURTZMAN CARSON CONSULTANTS LLC, 1290 AVENUE OF THE AMERICAS, 9TH FLOOR, NEW YORK, NY 10104; OR ELECTRONICALLY BY EMAIL TO LINCENERGYINFO@KCCLLC.COM. IF THIS MASTER BALLOT FOR NOTE CLAIMS IN CLASS 4 (SECOND LIEN NOTE CLAIMS) HAS NOT BEEN RECEIVED BY THE VOTING AGENT BY [DATE – Voting Deadline] AT 4:00 P.M. (CENTRAL TIME) (THE “VOTING DEADLINE”), THE VOTES OF THE BENEFICIAL HOLDERS OF NOTE CLAIMS IN CLASS 4 (SECOND LIEN NOTE CLAIMS) (EACH A “NOTE CLAIMANT” AND COLLECTIVELY, THE “NOTE CLAIMANTS”) WILL NOT BE COUNTED. THEREFORE, YOU MUST ALLOW SUFFICIENT TIME TO BE SURE THAT THE MASTER BALLOT FOR NOTE CLAIMS IN CLASS 4 (SECOND LIEN NOTE CLAIMS) IS RECEIVED BY THE VOTING AGENT BY THE VOTING DEADLINE.**

<sup>1</sup> The debtors in possession in these chapter 11 cases, along with the last four digits of each debtor in possession's federal tax identification number, are: Linc Energy Finance (USA), Inc. (6684); Linc USA GP (5234); Linc Energy Resources, Inc. (9613); Linc Gulf Coast Petroleum, Inc. (6790); Linc Energy Petroleum (Louisiana), LLC (1074); Linc Alaska Resources, LLC (2362); Paen Insula Holdings, LLC (1681); Linc Energy Petroleum (Wyoming), Inc. (9859); Diasu Holdings, LLC (9626); Diasu Oil & Gas Company, Inc. (8926); and Linc Energy Operations, Inc. (5806).

<sup>2</sup> All capitalized terms used in this Master Ballot but not otherwise defined herein shall have the meanings given to such terms in the *Expedited Motion for Entry of an Order (A) Granting Conditional Approval of Adequacy of Disclosure Statement (B) Approving Solicitation Materials and Procedures, (C) Approving Plan Confirmation Schedule, (D) Setting a Consolidated Hearing on Final Approval of Disclosure Statement and Confirmation of Debtors' Joint Chapter 11 Plan of Liquidation and (E) Granting Related Relief* (the “Motion”). The term “Debtors,” as used herein, refers to debtors and debtors in possession Linc USA GP; Linc Energy Finance (USA), Inc.; Linc Energy Operations, Inc.; Linc Energy Resources, Inc.; Linc Gulf Coast Petroleum, Inc.; Linc Energy Petroleum (Wyoming), Inc.; Paen Insula Holdings, LLC; Linc Alaska Resources, LLC; and Linc Energy Petroleum (Louisiana), LLC.

This Master Ballot is being sent to you because the records of the Depository Trust Company indicate that, as of [DATE] (the “Voting Record Date”), you are a broker, bank, commercial bank, trust company, dealer, or other agent or nominee thereof (each, a “Nominee”) of a beneficial holder of the Second Lien Note Claims against the Debtors (collectively, the “Note Claims”).

This Master Ballot is to be used by you, as the representative of the Note Claimants, to transmit the votes of such Note Claimants in respect of their decision to accept or reject the Debtors’ chapter 11 plan (as the same may be amended, modified, and/or supplemented, the “Plan”).

By Order dated [DATE] (the “Solicitation Procedures Order”), the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “Court”) conditionally approved the Debtors’ disclosure statement (including all exhibits thereto, and as the same may be amended, modified, and/or supplemented from time to time, the “Disclosure Statement”) as containing adequate information within the meaning of section 1125 of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). These documents are contained in the printed materials and/or CDs sent to you with this Master Ballot. The Solicitation Procedures Order also contains important information regarding the balloting process. Please also read the Solicitation Procedures Order and the instructions sent with this Master Ballot prior to submitting a Master Ballot.

As a Nominee, you are required to deliver the Solicitation Package and notices, including a Ballot (each a “Beneficial Holder Ballot”), to each Note Claimant for whom you hold Note Claims and take any action required to enable such Note Claimant to timely vote its Claim to accept or reject the Plan. You should include in each Solicitation Package a return envelope addressed to you (and not include a return envelope addressed to the Voting Agent), unless you choose to pre-validate such Beneficial Holder Ballot, in which case the Solicitation Package should include a return envelope addressed only to the Voting Agent. With respect to any Beneficial Holder Ballots returned to you, you must (1) execute this Master Ballot so as to reflect the voting instructions given to you in the Beneficial Holder Ballots by the Note Claimants for whom you hold Note Claims against the Debtors and (2) forward this Master Ballot to the Voting Agent so that it is **actually received** on or before the Voting Deadline in accordance with the Master Ballot Instructions accompanying this Master Ballot. For each completed, executed Beneficial Holder Ballot returned to you by a Note Claimant, you must retain such Beneficial Holder Ballot in your files for one year from the Voting Deadline.

## **VOTING INSTRUCTIONS**

### **VOTING DEADLINE:**

The Voting Deadline is [DATE AND TIME] (**Central Time**), unless such time is extended. To have the votes of the Note Claimants in Class 4 (Second Lien Note Claims) counted, you must complete, sign, and return this Master Ballot so that it is received by the Voting Agent at the address set forth in the Master Ballot on or before the Voting Deadline. Accordingly, you should immediately transmit the enclosed Solicitation Packages, including

Ballots, to the Note Claimants, with a return envelope addressed to you with instructions that the Note Claimants return their Beneficial Holder Ballots to you so as to be received by [DATE].

**HOW TO VOTE:**

If you are transmitting the votes of any Note Claimants other than yourself, you must deliver the Class 4 (Second Lien Note Claims) Beneficial Holder Ballot to the Note Claimants, along with the Plan, Disclosure Statement, Solicitation Procedures Order, Combined Hearing Notice, and other materials requested to be forwarded, and take the necessary actions to enable such Note Claimants to complete and execute such Beneficial Holder Ballot voting to accept or reject the Plan, and to return the completed, executed Beneficial Holder Ballot to you so as to be received on or before the Voting Deadline.

With respect to all of the Beneficial Holder Ballots returned to you, you must properly complete the Master Ballot, as follows:

- i. Complete the certification of authority to vote in Item 1;
- ii. Indicate in Item 2 the total votes to accept or reject the Plan;

**IMPORTANT: NOTE CLAIMANTS MAY NOT SPLIT THEIR VOTES. EACH NOTE CLAIMANT MUST VOTE ALL OF HIS, HER, OR ITS CLAIMS IN CLASS 4 (SECOND LIEN NOTE CLAIMS) TO ACCEPT OR REJECT THE PLAN. IF ANY SUCH NOTE CLAIMANT HAS ATTEMPTED TO SPLIT SUCH VOTE BY SUBMITTING A BALLOT THAT PARTIALLY ACCEPTS AND PARTIALLY REJECTS THE PLAN, PLEASE CONTACT THE VOTING AGENT IMMEDIATELY.** Any Note Claimant that does not indicate either acceptance or rejection of the Plan, or indicates both acceptance and rejection of the Plan, will not be counted, and the votes in such ballots should not be included in your tabulation;

- iii. Transcribe the votes from the Beneficial Holder Ballots in the addendum to the Master Ballot referenced in Item 3 thereof;
- iv. Review the certification in Item 4 of the Master Ballot;
- v. Ensure that each Beneficial Holder Ballot is signed and the certification is complete;
- vi. Sign and date the Master Ballot;
- vii. Independently verify and confirm the accuracy of the information provided with respect to each individual holder of Note Claims in Class 4 (Second Lien Note Claims);
- viii. If additional space is required to respond to any item on the Master Ballot, please use additional sheets of paper clearly marked to indicate the applicable item of the Master Ballot to which you are responding;

- ix. You must deliver the completed, executed Master Ballot so that it is actually received by the Voting Agent **on or before** the Voting Deadline. For each completed, executed Beneficial Holder Ballot returned to you by an individual holder, you must retain such Beneficial Holder Ballot in your files for one year from the Voting Deadline;
- x. Votes cast by Note Claimants through you will be applied against the positions held by such entities as of the Record Date (defined below). Votes submitted by you, pursuant to the Master Ballot, will not be counted in excess of the Record Amount;
- xi. To the extent that conflicting votes or “overvotes” are submitted by you, the Voting Agent, in good faith, will attempt to reconcile discrepancies with you; and
- xii. To the extent that “overvotes” on the Master Ballot are not reconcilable prior to the preparation of the vote certification, the Voting Agent will apply the votes to accept and to reject the Plan in the same proportion as the votes to accept and reject the Plan submitted on the Master Ballot that contained the “overvote,” but only to the extent of your position in the applicable security.

**PLEASE NOTE:**

This Master Ballot is not a letter of transmittal and may not be used for any purpose other than to cast votes to accept or reject the Plan. Note Claimants should not surrender, at this time, certificates representing their securities. The Voting Agent will not accept delivery of any such certificates surrendered together with a Master Ballot or Beneficial Holder Ballot.

No Master Ballot or Beneficial Holder Ballot shall constitute or be deemed to be a proof of claim, or an assertion of a Claim, an allowance of a Claim, or an admission by the Debtors of the validity of a Claim.

No fees or commissions or other remuneration will be payable to you in connection with the distribution of Solicitation Packages or the preparation of the Master Ballot.

**PLEASE RETURN YOUR MASTER BALLOT PROMPTLY TO THE VOTING AGENT BY MAIL, HAND-DELIVERY OR OVERNIGHT COURIER AT:**

**LINC ENERGY BALLOT PROCESSING CENTER  
c/o KURTZMAN CARSON CONSULTANTS LLC  
1290 AVENUE OF THE AMERICAS, 9TH FLOOR,  
NEW YORK, NY 10104**

**OR, ELECTRONICALLY BY EMAIL TO  
[lincenergyinfo@kccllc.com](mailto:lincenergyinfo@kccllc.com)**

**IF YOU BELIEVE THAT YOU ARE MISSING ANY MATERIALS FROM THE SOLICITATION PACKAGE, HAVE RECEIVED THE WRONG BALLOTS OR MASTER BALLOT, HAVE QUESTIONS REGARDING THE BALLOTS OR MASTER BALLOT, OR THE VOTING PROCEDURES, OR IF YOU NEED ADDITIONAL**

**COPIES OF OTHER ENCLOSED MATERIALS, PLEASE CALL THE VOTING AGENT AT (877) 833-4150 FOR CALLS ORIGINATING FROM THE UNITED STATES OR CANADA, AND (917) 281-4800 FOR CALLS ORIGINATING FROM OUTSIDE OF THE UNITED STATES OR CANADA. DO NOT CONTACT THE VOTING AGENT FOR LEGAL ADVICE. THE VOTING AGENT CANNOT AND WILL NOT PROVIDE PARTIES WITH LEGAL ADVICE.**

**Item 1. CERTIFICATION OF AUTHORITY TO VOTE.** The undersigned certifies that as of [DATE] (the “Record Date”), the undersigned (please check applicable box):

- Is a nominee and/or an intermediary for the Note Claimants of the aggregate principal amount listed in Item 2 below; or
- Is acting under a power of attorney and/or agency (a copy of which will be provided upon request) granted by a Nominee that is the registered holder of the aggregate principal amount listed in Item 2 below; or
- Has been granted a proxy (an original of which is attached hereto) from a nominee that is the registered holder of the aggregate principal amount listed in Item 2 below and accordingly, has full power and authority to vote to accept or reject the Plan on behalf of the Note Claimants in Class 4 (Second Lien Note Claims) as described below.

**Item 2. TABULATION OF BENEFICIAL OWNER VOTING.** The undersigned certifies that:

**A. Note Claims in Class 4 (Second Lien Note Claims)**

**Acceptances.** \_\_\_\_\_ holders of Note Claims in Class 4 (Second Lien Note Claims) in the aggregate unpaid principal amount of \$\_\_\_\_\_ have delivered duly completed Beneficial Holder Ballots to the undersigned voting to **ACCEPT** the Plan; and

**Rejections.** \_\_\_\_\_ holders of Note Claims in Class 4 (Second Lien Note Claims) in the aggregate unpaid principal amount of \$\_\_\_\_\_ have delivered duly completed Beneficial Holder Ballots to the undersigned voting to **REJECT** the Plan.

**Item 3. TRANSMITTAL OF VOTES FROM BENEFICIAL HOLDER BALLOTS.** The undersigned transmits the votes of holders of Note Claims in Class 4 (Second Lien Note Claims) as fully set forth below and certifies that the parties listed are the Note Claimants, as of the Record Date, and have delivered to the undersigned, as the Nominee, Beneficial Holder Ballots casting such votes, including any such votes that purport to opt out of the releases set forth in Item 4 of the Beneficial Holder Ballots, which, as set forth in each column therein, indicate the aggregate principal amount voted for each claim, and whether such claim is voted to accept or reject the Plan:



**Voting Summary of Note Claimants in Class 4 (Second Lien Note Claims)**

Name or Account Number for Each Note Claimant in Class 4 (Second Lien Note Claims) Voted on the Plan	Principal Amount of Note Claim Voted	Principal Amount of Note Claims in Class 4 (Second Lien Note Claims) Voted to ACCEPT the Plan <sup>3</sup>	Principal Amount of Note Claims in Class 4 (Second Lien Note Claims) Voted to REJECT the Plan*	If the box in Item 4 was completed on the Ballot, check the box in the column below
1.		\$	\$	<input type="checkbox"/>
2.		\$	\$	<input type="checkbox"/>
3.		\$	\$	<input type="checkbox"/>
4.		\$	\$	<input type="checkbox"/>
5.		\$	\$	<input type="checkbox"/>
<b>TOTALS</b>		\$	\$	

[If space is insufficient, attach additional sheets in the same format.]

**Item 4. CERTIFICATION AS TO TRANSCRIPTION OF INFORMATION FROM ITEM 2 OF THE BENEFICIAL HOLDER BALLOT AS TO OTHER NOTE CLAIMS IN CLASS 4 (SECOND LIEN NOTE CLAIMS) VOTED THROUGH OTHER BENEFICIAL HOLDER BALLOTS.**

The undersigned certifies that the undersigned has transcribed in the following table the information, if any, provided by Note Claimants in Item 3 of the original Note Ballots, identifying any Note Claims in Class 4 (Second Lien Note Claims) for which such holders have submitted other Beneficial Holder Ballots other than to the undersigned:

Your Customer Account Number For Each Note Claims in Class 4 (Second Lien Note Claims) Voted	TRANSCRIBE FROM ITEM 3 OF THE BENEFICIAL HOLDER BALLOTS:			
	Account Number	Name of Holder	Principal Amount of Other Note Claims in Class 4 (Second Lien Note Claims) Voted	CUSIP/ISIN of Other Claims Voted (if applicable)
1.				
2.				
3.				
4.				
5.				
6.				
7.				

<sup>3</sup> Please note that each Note Claimant must vote all of his, her, or its Note Claims in Class 4 (Second Lien Note Claims) to accept or reject the Plan, and may not split such vote.

**Item 5. IMPORTANT INFORMATION REGARDING THIRD PARTY RELEASE.**

The third-party releases<sup>4</sup> in Section 10.02 provide as follows:

**Section 10.02 Certain Voluntary Releases by Holders of Claims**

**Except as otherwise expressly provided in this Plan or the Confirmation Order, and to the fullest extent authorized by applicable law, for good and valuable consideration, the adequacy of which is hereby confirmed, the Released Parties are deemed released and discharged by (a) each other Released Party and (b) the Releasing Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, remedies, Causes of Action, rights of setoff, other rights, and liabilities whatsoever, whether for tort, contract, violations of federal or state securities laws, Avoidance Actions, including any derivative claims, asserted or that could possibly have been asserted directly or indirectly on behalf of the Releasing Parties or their Affiliates, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, and any and all Causes of Action asserted or that could possibly have been asserted on behalf of a Released Party or a Releasing Party or any of its Affiliates (whether individually or collectively) or on behalf of the holder of any Claim or Equity Interest or other Entity, based on or in any way relating to, or in any manner arising from, in whole or in part, the Debtors, their Estates or their Affiliates, the conduct of the Debtors' businesses, the formulation, preparation, solicitation, dissemination, negotiation, or filing of the Disclosure Statement or Plan or any contract, instrument, release, or other agreement or document created or entered into in connection with or pursuant to the Disclosure Statement, or this Plan, the filing and prosecution of**

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<sup>4</sup> The Plan defines "Released Parties" as "each of: (a) the Debtors; (b) the Creditor Trustee; (c) the Creditors Committee; (d) the Ad Hoc Noteholder Group and its members; (e) the Prepetition Noteholders; (f) the Indenture Trustees; (g) the DIP Agent; (h) the DIP Lenders; and (j) in each case, their predecessors, successors and assigns, professionals, advisors, accountants, attorneys, investment bankers, and consultants, and in the case of (b) through (h), their current and former affiliates, subsidiaries, funds, portfolio companies, management companies, employees, agents, directors and officers, and other representatives (each solely in their capacity as such). For the avoidance of doubt, the Debtors' directors and officers are not included in the definition of 'Released Parties.'" Plan, Art. I ¶ 101. The Plan defines "Exculpated Parties" as "each of: (a) the Debtors; (b) the Creditor Trustee; (c) the Creditors Committee; (d) the Ad Hoc Noteholder Group and its members; (e) the Prepetition Noteholders; (f) the Indenture Trustees; (g) the DIP Agent; (h) the DIP Lenders; and (j) in each case, their predecessors, successors and assigns, current and former affiliates, subsidiaries, funds, portfolio companies, management companies, current and former officers, directors, professionals, advisors, accountants, attorneys, investment bankers, consultants, employees, agents and other representatives (each solely in their capacity as such)." Plan, Art. I ¶ 53. The Plan defines "Releasing Parties" as "each holder of a Claim against the Debtors that (a) is Unimpaired pursuant to this Plan and therefore is deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code, or (b) receives and returns a Ballot indicating an election not to opt out of the releases provided in Section 10.02 herein." Plan, Art. I ¶ 102.

the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in this Plan, the business or contractual arrangements between the Debtors, their Estates or their Affiliates, on the one hand, and any Released Party, on the other hand, prepetition contracts and agreements with one or both Debtors, or any other act or omission, transaction, agreement, event, or other occurrence taking place before the Effective Date; provided that to the extent that a claim or Cause of Action is determined by a Final Order to have resulted from fraud, gross negligence or willful misconduct of a Released Party, such claim or Cause of Action shall not be so released against such Released Party. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release (i) any obligations arising on or after the Effective Date of any party under this Plan, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan; and (ii) the right of the Debtors or the Creditor Trustee to object to Claims filed by any Person against any Debtor or an Estate, or to assert counterclaims or defenses in respect of such Claims, including rights of setoff, refund, recoupment or other adjustments as provided for herein. Notwithstanding anything in the above and in this Plan, nothing in the above paragraph or this Plan shall impair the Creditor Trust in bringing any claim or asserting any cause of action against any former officers, directors, managers, agents, employees, or fiduciaries of any of the Debtors.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the release set forth in this Section 10.02, which includes by reference each of the related provisions and definitions contained herein, and further, shall constitute the Bankruptcy Court's finding that such release is: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the claims released by this Section 10.02; (c) in the best interests of the Debtors, their Estates and all holders of Claims and Equity Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to any Entity asserting any claim or Cause of Action released by this Section 10.02.

**Item 6. CERTIFICATION.** By signing this Master Ballot, the undersigned certifies that: (a) each Note Claimant holding a Claim(s) in Class 4 (Second Lien Note Claims) whose vote is being transmitted by this Master Ballot has been provided with a copy of the Plan, Disclosure Statement, Solicitation Procedures Order, and a Ballot for voting its Claim(s); and (b) each Note Claimant has not cast more than one vote with respect to any given Claim for any purpose, including for determining both the number of votes and the amount of the Claim, even if such holder holds securities of the same type in more than one account. The undersigned also acknowledges that the solicitation of votes in Class 4 (Second Lien Note Claims) to accept or reject the Plan is subject to all the terms and conditions set forth in the Solicitation Procedures Order, dated [DATE OF SOLICITATION PROCEDURES ORDER]

*[Remainder of page intentionally left blank]*

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Name of Nominee

---

DTC Participant Number

---

Signature

---

If by Authorized Agent, Name and Title

---

Street Address

---

City, State, Zip Code

---

Telephone Number

---

Email

---

Date Completed

**In order to vote Note Claims in Class 4 (Second Lien Note Claims) to accept or reject the Plan, please complete, sign, and date this Master Ballot and promptly return it in by one of the following methods, as appropriate, so as to be received on or prior to the Voting Deadline, by regular mail, or by hand delivery or overnight courier during normal business hours, to: Linc Energy Ballot Processing Center, c/o Kurtzman Carson Consultants LLC, 1290 Avenue of the Americas, 9th Floor, New York, NY 10104; or electronically, by email to [lincenergyinfo@kccllc.com](mailto:lincenergyinfo@kccllc.com)**

**MASTER BALLOTS RECEIVED AFTER THE VOTING DEADLINE, WILL NOT BE COUNTED.**

Exhibit B4

Beneficial Holder Ballot for Class 4

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS**

In re:	)	
LINC USA GP, <i>et al.</i> <sup>1</sup>	)	Chapter 11
Debtors.	)	Case No. 16-32689 (DRJ)
		(Jointly Administered)

**BENEFICIAL HOLDER BALLOT FOR NOTE CLAIMS IN  
CLASS 4 (SECOND LIEN NOTE CLAIMS)  
FOR ACCEPTING OR REJECTING DEBTORS' PLAN  
OF LIQUIDATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

PLEASE READ CAREFULLY AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING THIS BALLOT (THE "BENEFICIAL HOLDER BALLOT") **BEFORE** COMPLETING THIS BENEFICIAL HOLDER BALLOT.

IN ORDER FOR YOUR VOTE TO BE COUNTED, ALL PRE-VALIDATED BENEFICIAL HOLDER BALLOTS (INCLUDING MASTER BALLOTS<sup>2</sup> CAST ON BEHALF OF BENEFICIAL HOLDER BALLOTS THAT WERE NOT PRE-VALIDATED) MUST BE COMPLETED, EXECUTED AND RETURNED SO AS TO BE **ACTUALLY RECEIVED** BY THE VOTING AGENT BY [DATE] AT 4:00 P.M. (CENTRAL TIME) (THE "VOTING DEADLINE") IN ACCORDANCE WITH THE FOLLOWING:

**IF YOU RECEIVED A RETURN ENVELOPE ADDRESSED TO YOUR NOMINEE:**

YOUR NOMINEE HAS NOT PRE-VALIDATED THIS BENEFICIAL HOLDER BALLOT. YOU MUST RETURN THIS BENEFICIAL HOLDER BALLOT TO YOUR NOMINEE IN ACCORDANCE WITH THE ENCLOSED INSTRUCTIONS FROM YOUR NOMINEE, AND IN ANY EVENT, BY [DATE] TO PERMIT YOUR NOMINEE TO DELIVER A MASTER BALLOT (THE "MASTER BALLOT") INCLUDING YOUR VOTE TO THE VOTING AGENT SO IT IS **ACTUALLY RECEIVED** ON OR BEFORE THE VOTING DEADLINE.

DO NOT RETURN THE BENEFICIAL HOLDER BALLOT TO THE INDENTURE TRUSTEE.

<sup>1</sup> The debtors in possession in these chapter 11 cases, along with the last four digits of each debtor in possession's federal tax identification number, are: Linc Energy Finance (USA), Inc. (6684); Linc USA GP (5234); Linc Energy Resources, Inc. (9613); Linc Gulf Coast Petroleum, Inc. (6790); Linc Energy Petroleum (Louisiana), LLC (1074); Linc Alaska Resources, LLC (2362); Paen Insula Holdings, LLC (1681); Linc Energy Petroleum (Wyoming), Inc. (9859); Diasu Holdings, LLC (9626); Diasu Oil & Gas Company, Inc. (8926); and Linc Energy Operations, Inc. (5806).

<sup>2</sup> Capitalized terms used in this Beneficial Holder Ballot or the attached instructions but not otherwise defined herein shall have the meanings given to such terms in the *Expedited Motion for Entry of an Order (A) Granting Conditional Approval of Adequacy of Disclosure Statement (B) Approving Solicitation Materials and Procedures, (C) Approving Plan Confirmation Schedule, (D) Setting a Consolidated Hearing on Final Approval of Disclosure Statement and Confirmation of Debtors' Joint Chapter 11 Plan of Liquidation and (E) Granting Related Relief* (the "Motion").

**IF YOU RECEIVED A RETURN ENVELOPE ADDRESSED TO THE VOTING AGENT:**

EITHER: (1) YOUR VOTING NOMINEE HAS PRE-VALIDATED THIS BENEFICIAL HOLDER BALLOT, OR (2) YOU HAVE BEEN IDENTIFIED AS A REGISTERED HOLDER. THEREFORE, YOU MUST RETURN THIS PRE-VALIDATED BENEFICIAL HOLDER BALLOT DIRECTLY TO THE VOTING AGENT SO IT IS **ACTUALLY RECEIVED** ON OR BEFORE THE VOTING DEADLINE.

This Beneficial Holder Ballot is submitted to you to solicit your vote to accept or reject the Debtors' chapter 11 plan (as the same may be amended, modified, and/or supplemented, the "Plan") submitted by debtors and debtors in possession Linc USA GP; Linc Energy Finance (USA), Inc.; Linc Energy Operations, Inc.; Linc Energy Resources, Inc.; Linc Gulf Coast Petroleum, Inc.; Linc Energy Petroleum (Wyoming), Inc.; Paen Insula Holdings, LLC; Linc Alaska Resources, LLC; and Linc Energy Petroleum (Louisiana), LLC (the "Debtors"), and described in the related disclosure statement (the "Disclosure Statement") conditionally approved by an order of the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "Court"). The Disclosure Statement provides information to assist you in deciding how to vote your Beneficial Holder Ballot. If you do not have a Disclosure Statement or Plan, you may obtain a copy by contacting Kurtzman Carson Consultants LLC (the "Voting Agent") by email at LincEnergyInfo@kccllc.com, or by phone at (877) 634-7166 for calls originating from the United States or Canada and (424) 236-7222 for calls originating from outside the United States or Canada, or you can access a copy at the case-dedicated website, [www.kccllc.net/linc](http://www.kccllc.net/linc). Copies of the Disclosure Statement and the Plan are also available for inspection during regular business hours at the office of the Clerk of the United States Bankruptcy Court for the Southern District of Texas, 515 Rusk Avenue, Houston, Texas 77002. In addition, copies of the Disclosure Statement and the Plan may be obtained for a fee from the Court's website at <https://ecf.txsb.uscourts.gov/>. You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and your classification and treatment under the Plan.

The Plan can be confirmed by the Court and thereby made binding on you if it is accepted by the holders of at least two-thirds in amount and more than one-half in number of the Claims in each impaired Class which vote on the Plan, and if the Plan otherwise satisfies the applicable requirements of section 1129(a) of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code"). The votes of those Claims actually voted in your Class will bind those who do not vote. If the requisite acceptances are not obtained, the Court may nonetheless confirm the Plan if it finds that the Plan (a) provides fair and equitable treatment to, and does not unfairly discriminate against, the Class or Classes rejecting the Plan, and (b) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code.

**VOTING INFORMATION AND INSTRUCTIONS FOR COMPLETING BALLOT**

1. This Beneficial Holder Ballot is to be used for voting by the record holders of the Second Lien Note Claims against the Debtors, as identified by a beneficiary list held by the



Indenture Trustee. If you hold Claims in other Classes in which you are entitled to vote, you will receive a Ballot for each such other Class.

2. **Each Beneficial Holder Ballot you receive is for voting only claims from the Second Lien Note Claims held as of the Voting Record Date (the “Note Claims”). Please complete and return each Beneficial Holder Ballot you receive in accordance with the instructions therein. The attached Beneficial Holder Ballot is designated only for voting Note Claims in Class 4 (Second Lien Note Claims).**

3. In the boxes provided in Item 2 of the Beneficial Holder Ballot below, please indicate either acceptance or rejection of the Plan. Complete the Beneficial Holder Ballot by providing all of the information requested. Beneficial Holder Ballots must be returned in the enclosed envelope, either to (a) the Nominee or (b) the Voting Agent directly, if your ballot has been pre-validated or if you are a record holder. Regardless of whether the Beneficial Holder Ballot is sent to the Nominee or the Voting Agent directly, all Beneficial Holder Ballots (including Master Ballots cast on behalf of Note Claims by Nominees) must be properly completed, signed, and returned to the Voting Agent so that it is **actually received** by the Voting Agent by no later than the Voting Deadline. If a Ballot is received after the applicable deadline, it will not be counted.

4. IF YOU RECEIVED A RETURN ENVELOPE ADDRESSED TO YOUR NOMINEE, YOUR NOMINEE HAS NOT PRE-VALIDATED YOUR BENEFICIAL HOLDER BALLOT, AND YOU MUST RETURN YOUR BENEFICIAL HOLDER BALLOT TO YOUR NOMINEE USING THE ENCLOSED ENVELOPE. PLEASE RETURN THE BENEFICIAL HOLDER BALLOT BY [DATE] TO ALLOW SUFFICIENT TIME FOR YOUR NOMINEE TO RECEIVE YOUR BENEFICIAL HOLDER BALLOT AND PROCESS YOUR VOTE ON A MASTER BALLOT SUCH THAT THE MASTER BALLOT IS RECEIVED BY THE VOTING AGENT ON OR BEFORE THE VOTING DEADLINE.

5. If neither the “accept” nor “reject” box is checked in Item 2 below, or if both the “accept” and “reject” boxes are checked, for an otherwise properly completed, executed, and timely returned Beneficial Holder Ballot, the Beneficial Holder Ballot will not be counted. Any Beneficial Holder Ballot that is illegible, does not bear an original signature, or does not provide sufficient information to identify the claim holder will not be counted.

6. You must vote all of your Note Claims in Class 4 (Second Lien Note Claims) under the Plan either to accept or reject the Plan and may not split your vote. An otherwise properly completed, executed, and timely returned Beneficial Holder Ballot that attempts to partially accept and partially reject the Plan, or that attempts to both accept and reject the Plan will **not** be counted. Your vote to accept or reject the Plan must be unequivocal and not conditional or qualified in any way.

7. The Beneficial Holder Ballot does not constitute, and will not be deemed, a proof of claim or Equity Interest, an assertion of a Claim, an allowance of a Claim, or an admission by the Debtors of the validity of a Claim.

8. If you cast more than one Beneficial Holder Ballot voting the same Note Claim(s) prior to the Voting Deadline, the latest dated, properly executed Beneficial Holder Ballot received before the Voting Deadline will be deemed to reflect your intent and supersede any prior Beneficial Holder Ballots. If you cast Beneficial Holder Ballots received by the Nominee on the same day, but which are voted inconsistently, such Beneficial Holder Ballots will not be counted.

9. If you wish to have your Claim allowed for purposes of voting on the Plan in a manner that is inconsistent with the Ballot you received or if you did not receive a Ballot and wish to have your Claim temporarily allowed for voting purposes only, you must serve on the as set forth in the Motion, on or before [3018 Objection Deadline] (Central Time), a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such Claim for purposes of voting (the "Rule 3018 Motion"). A Rule 3018 Motion must set forth with particularity the amount and classification of which you believe your Note Claims should be allowed for voting purposes and the evidence in support of your belief. In respect of any timely-filed Rule 3018 Motion, the Ballot in question shall be counted (a) in the amount established by the Court in an order entered on or before the Voting Deadline or (b) if such an order has not been entered by the Voting Deadline and unless the Debtor, the Committee and you have come to an agreement as to the relief requested in the Rule 3018 Motion, in an amount equal to the amount on the Ballot or in the event you did not receive a Ballot, you shall not have a Ballot counted at all. The Court will schedule a hearing on such motion to be heard at or prior to the Combined Hearing.

10. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR ADVICE, OR TO MAKE ANY REPRESENTATION, OTHER THAN WHAT IS CONTAINED IN THE MATERIALS MAILED WITH THIS BENEFICIAL HOLDER BALLOT OR OTHER MATERIALS AUTHORIZED BY THE COURT.

11. PLEASE RETURN YOUR BENEFICIAL HOLDER BALLOT TO THE NOMINEE THAT SENT YOU THE BENEFICIAL HOLDER BALLOT USING THE ENCLOSED RETURN ENVELOPE BY [DATE]. DO NOT RETURN THE BENEFICIAL HOLDER BALLOT TO THE INDENTURE TRUSTEE.

12. PLEASE RETURN YOUR BENEFICIAL HOLDER BALLOT PROMPTLY. UNLESS IT DIRECTS OTHERWISE, THE NOMINEE WILL NOT ACCEPT BENEFICIAL HOLDER BALLOTS BY FACSIMILE, EMAIL OR OTHER ELECTRONIC TRANSMISSION

13. IF YOU HAVE RECEIVED A DAMAGED BENEFICIAL HOLDER BALLOT, HAVE LOST YOUR BENEFICIAL HOLDER BALLOT, OR IF YOU HAVE ANY QUESTIONS CONCERNING THIS BENEFICIAL HOLDER BALLOT OR THE VOTING PROCEDURES, PLEASE CALL THE VOTING AGENT AT (877) 634-7166 FOR CALLS ORIGINATING FROM THE UNITED STATES OR CANADA AND (424) 236-7222 FOR CALLS ORIGINATING FROM OUTSIDE THE UNITED STATES OR CANADA.

14. PLEASE NOTE THAT THE VOTING AGENT'S STAFF IS NOT PERMITTED TO GIVE LEGAL ADVICE. ANY PARTY RECEIVING THIS BENEFICIAL HOLDER BALLOT SHOULD CONSULT AN ATTORNEY REGARDING ANY QUESTIONS IT MAY

HAVE RELATING TO THIS BENEFICIAL HOLDER BALLOT AND THE OTHER DOCUMENTS REFERENCED HEREIN.

**PLEASE READ THE ATTACHED VOTING INFORMATION AND INSTRUCTIONS BEFORE COMPLETING THIS BENEFICIAL HOLDER BALLOT**

PLEASE COMPLETE ALL ITEMS BELOW. IF THIS BENEFICIAL HOLDER BALLOT IS NOT SIGNED ON THE APPROPRIATE LINES, THIS BENEFICIAL HOLDER BALLOT WILL NOT BE VALID OR COUNTED AS HAVING BEEN CAST.

**Item 1. Type of Note Claim.** The undersigned certifies that he, she or it is a holder of a **Note Claim in Class 4 (Second Lien Note Claims)**.

**Item 2. Class Vote.** The undersigned, a holder of a **Note Claim in Class 4 (Second Lien Note Claims)** in the amount set forth below, votes to (check one box):

- Accept** the Plan.  **Reject** the Plan.

Voting Principal Amount: \$\_\_\_\_\_

**Item 3. Certifications as to Note Claims in Class 4 (Second Lien Note Claims) Held in Additional Accounts.**

By completing and returning this Beneficial Holder Ballot, the undersigned certifies that either (1) it has not submitted any other Beneficial Holder Ballots for other Note Claims in Class 4 (Second Lien Note Claims) held in other accounts or other record names or (2) it has provided the information specified in the following table for all other Note Claims in Class 4 (Second Lien Note Claims)<sup>3</sup> for which it has submitted additional Beneficial Holder Ballots, each of which indicates the same vote to accept or reject the Plan (please use additional sheets of paper if necessary):

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<sup>3</sup> List your name if the Note Claim in Class 4 (Second Lien Note Claims) is held by you in record name. If the Note Claim in Class 4 (Second Lien Note Claims) is held in "street name," please list the name of your Nominee.

ONLY COMPLETE THIS SECTION IF YOU HAVE VOTED NOTE CLAIMS IN CLASS 4 (SECOND LIEN NOTE CLAIMS) ON A BENEFICIAL HOLDER BALLOT OTHER THAN THIS BENEFICIAL HOLDER BALLOT.

Name of Holder	Account Number	Principal Amount of Other Note Claims in Class 4 (Second Lien Note Claims)Voted	CUSIP/ISIN of Other Claims Voted (if applicable)
		\$	
1.		\$	
2.		\$	
3.		\$	
4.		\$	
5.		\$	
6.		\$	
7.		\$	
8.		\$	
9.		\$	

[If space is insufficient, attach additional sheets in the same format.]

**Item 4. [OPTIONAL] Releases.**

**IMPORTANT INFORMATION REGARDING CERTAIN RELEASES BY HOLDERS OF CLAIMS:**

**ONLY** IF YOU CHECK THE BOX BELOW, WILL YOU BE DEEMED TO HAVE OPTED OUT OF THE RELEASES IN SECTION 10.02 OF THE PLAN (AS SET FORTH BELOW). IF YOU DO NOT CHECK THE BOX BELOW, YOU WILL BE BOUND BY THE RELEASES SET FORTH IN SECTION 10.02 OF THE PLAN.

By checking the box below, the holder of Claim(s) set forth in Item 1 elects to:

- Opt out of the release provided in Section 10.02 of the Plan

The third-party releases<sup>4</sup> in Section 10.02 provide as follows:

**Section 10.02 Certain Voluntary Releases by Holders of Claims**

**Except as otherwise expressly provided in this Plan or the Confirmation Order, and to the fullest extent authorized by applicable law, for good and valuable consideration, the adequacy of which is hereby confirmed, the Released Parties are deemed released and discharged by (a) each other Released Party and (b) the Releasing Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, remedies, Causes of Action, rights of setoff, other rights, and liabilities whatsoever, whether for tort, contract, violations of federal or state securities laws, Avoidance Actions, including any derivative claims, asserted or that could possibly have been asserted directly or indirectly on behalf of the Releasing Parties or their Affiliates, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, and any and all Causes of Action asserted or that could possibly have been asserted on behalf of a Released Party or a Releasing Party or any of its Affiliates (whether individually or collectively) or on behalf of the holder of any Claim or Equity Interest or other Entity, based on or in any way relating to, or in any manner arising from, in whole or in part, the Debtors, their Estates or their Affiliates, the conduct of the Debtors' businesses, the formulation, preparation, solicitation, dissemination, negotiation, or filing of the Disclosure Statement or Plan or any contract, instrument, release, or other agreement or document created or entered into in connection with or pursuant to the Disclosure Statement, or this Plan, the filing and prosecution of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the purchase, sale, or rescission of the purchase or**

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<sup>4</sup> The Plan defines "Released Parties" as "each of: (a) the Debtors; (b) the Creditor Trustee; (c) the Creditors Committee; (d) the Ad Hoc Noteholder Group and its members; (e) the Prepetition Noteholders; (f) the Indenture Trustees; (g) the DIP Agent; (h) the DIP Lenders; and (j) in each case, their predecessors, successors and assigns, professionals, advisors, accountants, attorneys, investment bankers, and consultants, and in the case of (b) through (h), their current and former affiliates, subsidiaries, funds, portfolio companies, management companies, employees, agents, directors and officers, and other representatives (each solely in their capacity as such). For the avoidance of doubt, the Debtors' directors and officers are not included in the definition of 'Released Parties.'" Plan, Art. I ¶ 101. The Plan defines "Exculpated Parties" as "each of: (a) the Debtors; (b) the Creditor Trustee; (c) the Creditors Committee; (d) the Ad Hoc Noteholder Group and its members; (e) the Prepetition Noteholders; (f) the Indenture Trustees; (g) the DIP Agent; (h) the DIP Lenders; and (j) in each case, their predecessors, successors and assigns, current and former affiliates, subsidiaries, funds, portfolio companies, management companies, current and former officers, directors, professionals, advisors, accountants, attorneys, investment bankers, consultants, employees, agents and other representatives (each solely in their capacity as such)." Plan, Art. I ¶ 53. The Plan defines "Releasing Parties" as "each holder of a Claim against the Debtors that (a) is Unimpaired pursuant to this Plan and therefore is deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code, or (b) receives and returns a Ballot indicating an election not to opt out of the releases provided in Section 10.02 herein." Plan, Art. I ¶ 102.

sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in this Plan, the business or contractual arrangements between the Debtors, their Estates or their Affiliates, on the one hand, and any Released Party, on the other hand, prepetition contracts and agreements with one or both Debtors, or any other act or omission, transaction, agreement, event, or other occurrence taking place before the Effective Date; provided that to the extent that a claim or Cause of Action is determined by a Final Order to have resulted from fraud, gross negligence or willful misconduct of a Released Party, such claim or Cause of Action shall not be so released against such Released Party. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release (i) any obligations arising on or after the Effective Date of any party under this Plan, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan; and (ii) the right of the Debtors or the Creditor Trustee to object to Claims filed by any Person against any Debtor or an Estate, or to assert counterclaims or defenses in respect of such Claims, including rights of setoff, refund, recoupment or other adjustments as provided for herein. Notwithstanding anything in the above and in this Plan, nothing in the above paragraph or this Plan shall impair the Creditor Trust in bringing any claim or asserting any cause of action against any former officers, directors, managers, agents, employees, or fiduciaries of any of the Debtors.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the release set forth in this Section 10.02, which includes by reference each of the related provisions and definitions contained herein, and further, shall constitute the Bankruptcy Court's finding that such release is: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the claims released by this Section 10.02; (c) in the best interests of the Debtors, their Estates and all holders of Claims and Equity Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to any Entity asserting any claim or Cause of Action released by this Section 10.02.

**Item 5. Acknowledgments.** By signing this Beneficial Holder Ballot, the undersigned acknowledges receipt of the Disclosure Statement and the other applicable solicitation materials and certifies that the undersigned is the claimant or has the power and authority to vote to accept or reject the Plan on behalf of the claimant. The undersigned understands that an otherwise properly completed, executed, and timely returned Beneficial Holder Ballot that does not indicate either acceptance or rejection of the Plan, or indicates both acceptance and rejection of the Plan, will not be counted.

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Name of Creditor

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Signature

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If by Authorized Agent, Name and Title

---

Name of Institution

---

Street Address

---

City, State, Zip Code

---

Telephone Number

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Email

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Date Completed

**PLEASE MAKE SURE YOU HAVE PROVIDED ALL INFORMATION REQUESTED ON THIS BENEFICIAL HOLDER BALLOT. PLEASE READ AND FOLLOW THE INSTRUCTIONS SET FORTH HEREIN CAREFULLY. PLEASE COMPLETE, SIGN, AND DATE THIS BENEFICIAL HOLDER BALLOT AND RETURN IT BY MAIL, HAND DELIVERY, OR OVERNIGHT COURIER IN THE ENVELOPE PROVIDED TO THE ADDRESSEE SPECIFIED THEREON. IF THE VOTING AGENT DOES NOT ACTUALLY RECEIVE THIS BENEFICIAL HOLDER BALLOT (IF PRE-VALIDATED) OR THE MASTER BALLOT INCORPORATING THE VOTE CAST BY THIS BENEFICIAL HOLDER BALLOT ON OR BEFORE THE VOTING DEADLINE, YOUR VOTE TRANSMITTED BY THIS BENEFICIAL HOLDER BALLOT WILL NOT BE COUNTED.**

Exhibit B5

Ballot for Class 5



**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS**

<b>In re:</b>  <b>LINC USA GP, et al.</b> <sup>1</sup>  <p style="text-align: right;"><b>Debtors.</b></p>	) ) ) ) )	<p style="text-align: center;"><b>Chapter 11</b></p> <p style="text-align: center;"><b>Case No. 16-32689 (DRJ)</b></p> <p style="text-align: center;"><b>(Jointly Administered)</b></p>
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**BALLOT FOR CLAIMS IN  
CLASS 5 (GENERAL UNSECURED CLAIMS)  
FOR ACCEPTING OR REJECTING DEBTOR’S PLAN OF LIQUIDATION  
PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

**FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE RETURNED TO  
THE VOTING AGENT SO THAT IT IS  
ACTUALLY RECEIVED BEFORE 4:00 P.M. (CENTRAL TIME) ON  
[DATE] (THE “VOTING DEADLINE”).**

This ballot (the “Ballot”) is submitted to you to solicit your vote to accept or reject the chapter 11 plan (as the same may be amended, modified, and/or supplemented, the “Plan”) submitted by debtors and debtors in possession Linc USA GP; Linc Energy Finance (USA), Inc.; Linc Energy Operations, Inc.; Linc Energy Resources, Inc.; Linc Gulf Coast Petroleum, Inc.; Linc Energy Petroleum (Wyoming), Inc.; Paen Insula Holdings, LLC; Linc Alaska Resources, LLC; and Linc Energy Petroleum (Louisiana), LLC (the “Debtors”), and described in the related disclosure statement (the “Disclosure Statement”) conditionally approved by an order of the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “Court”). The Disclosure Statement provides information to assist you in deciding how to vote your Ballot. If you do not have a Disclosure Statement or Plan, you may obtain a copy by contacting Kurtzman Carson Consultants LLC (the “Voting Agent”) by email at LincEnergyInfo@kccllc.com, or by phone at (877) 634-7166 for calls originating from the United States or Canada and (424) 236-7222 for calls originating from outside the United States or Canada, or you can access a copy at the case-dedicated website, www.kccllc.net/linc. Copies of the Disclosure Statement and the Plan are also available for inspection during regular business hours at the office of the Clerk of the United States Bankruptcy Court for the Southern District of Texas, 515 Rusk Avenue, Houston, Texas 77002. In addition, copies of the Disclosure Statement and the Plan may be obtained for a fee from the Court’s website at <https://ecf.txsb.uscourts.gov/>.

<sup>1</sup> The debtors in possession in these chapter 11 cases, along with the last four digits of each debtor in possession’s federal tax identification number, are: Linc Energy Finance (USA), Inc. (6684); Linc USA GP (5234); Linc Energy Resources, Inc. (9613); Linc Gulf Coast Petroleum, Inc. (6790); Linc Energy Petroleum (Louisiana), LLC (1074); Linc Alaska Resources, LLC (2362); Paen Insula Holdings, LLC (1681); Linc Energy Petroleum (Wyoming), Inc. (9859); Diasu Holdings, LLC (9626); Diasu Oil & Gas Company, Inc. (8926); and Linc Energy Operations, Inc. (5806).

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and your classification and treatment under the Plan.<sup>2</sup>

The Plan can be confirmed by the Court and thereby made binding on you if it is accepted by the holders of at least two-thirds in amount and more than one-half in number of the Claims in each impaired Class which vote on the Plan, and if the Plan otherwise satisfies the applicable requirements of section 1129(a) of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”). The votes of those Claims actually voted in your Class will bind those who do not vote. If the requisite acceptances are not obtained, the Court may nonetheless confirm the Plan if it finds that the Plan (a) provides fair and equitable treatment to, and does not unfairly discriminate against, the Class or Classes rejecting the Plan, and (b) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code.

### **VOTING INFORMATION AND INSTRUCTIONS FOR COMPLETING BALLOT**

1. In the boxes provided in Item 1 of the Ballot below, please indicate either acceptance or rejection of the Plan. Complete the Ballot by providing all of the information requested. Ballots must be returned to the Voting Agent, so that such Ballot is **RECEIVED by the Voting Agent on or before the Voting Deadline**. If an Ballot is received after the applicable deadline, it will not be counted. An envelope addressed to the Voting Agent is enclosed for your convenience. If neither the “accept” nor “reject” box is checked in Item 1 below, or if both the “accept” and “reject” boxes are checked, for an otherwise properly completed, executed, and timely returned Ballot, the Ballot will not be counted. Any Ballot that is illegible, does not bear an original signature, or does not provide sufficient information to identify the claim holder will not be counted.

2. If you are completing this Ballot on behalf of an entity, indicate your relationship with such entity and the capacity in which you are signing. In addition, please provide your name and mailing address if different from that set forth in the attached mailing label or if no such mailing label is attached to the Ballot. At the Debtor’s discretion, you may be requested to provide proof of your authority to complete the Ballot on behalf of the claim holder.

3. **This Ballot is for voting only your Claims in Class 5 (General Unsecured Claims). Please complete and return each ballot you receive in accordance with the instructions therein. The attached Ballot is designated only for voting Claims in Class 5 (General Unsecured Claims).**

4. You must vote all of your Claims in Class 5 (General Unsecured Claims) under the Plan either to accept or reject the Plan and may not split your vote. An otherwise properly completed, executed, and timely returned Ballot that attempts to partially accept and partially reject the Plan, or that attempts to both accept and reject the Plan will not be counted. Your vote to accept or reject the Plan must be unequivocal and not conditional or qualified in any way.

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<sup>2</sup> All capitalized terms used in this Master Ballot but not otherwise defined herein shall have the meanings given to such terms in the *Expedited Motion for Entry of an Order (A) Granting Conditional Approval of Adequacy of Disclosure Statement (B) Approving Solicitation Materials and Procedures, (C) Approving Plan Confirmation Schedule, (D) Setting a Consolidated Hearing on Final Approval of Disclosure Statement and Confirmation of Debtors’ Joint Chapter 11 Plan of Liquidation and (E) Granting Related Relief* (the “Motion”).

5. The Ballot does not constitute, and will not be deemed, a proof of claim, an assertion of a Claim, an allowance of a Claim, or an admission by the Debtors of the validity of a Claim.

6. If you cast more than one Ballot voting the same Non-Noteholder Claims in Class 5 (General Unsecured Claims) prior to the Voting Deadline, the latest dated, properly executed Ballot received before the Voting Deadline will be deemed to reflect your intent and supersede any prior Ballots. If you cast Ballots received by the Voting Agent on the same day, but which are voted inconsistently, such Ballots will not be counted.

7. If you wish to have your Claim allowed for purposes of voting on the Plan in a manner that is inconsistent with the Ballot you received or if you did not receive a Ballot and wish to have your Claim temporarily allowed for voting purposes only, you must serve on the as set forth in the Motion, on or before [3018 Objection Deadline] (Central Time), a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such Claim for purposes of voting (the "Rule 3018 Motion"). A Rule 3018 Motion must set forth with particularity the amount and classification of which you believe your Claims should be allowed for voting purposes and the evidence in support of your belief. In respect of any timely-filed Rule 3018 Motion, the Ballot in question shall be counted (a) in the amount established by the Court in an order entered on or before the Voting Deadline or (b) if such an order has not been entered by the Voting Deadline and unless the Debtor, the Committee and you have come to an agreement as to the relief requested in the Rule 3018 Motion, in an amount equal to the amount on the Ballot or in the event you did not receive a Ballot, you shall not have a Ballot counted at all. The Court will schedule a hearing on such motion to be heard at or prior to the Combined Hearing.

8. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR ADVICE, OR TO MAKE ANY REPRESENTATION, OTHER THAN WHAT IS CONTAINED IN THE MATERIALS MAILED WITH THIS BALLOT OR OTHER MATERIALS AUTHORIZED BY THE COURT.

9. **PLEASE RETURN YOUR BALLOT PROMPTLY TO THE VOTING AGENT BY MAIL, HAND-DELIVERY OR OVERNIGHT COURIER AT:**

**LINC ENERGY BALLOT PROCESSING CENTER  
c/o KURTZMAN CARSON CONSULTANTS LLC  
2335 Alaska Avenue  
El Segundo, CA 90245**

**OR, ELECTRONICALLY EITHER BY EMAIL TO  
[lincenergyinfo@kccllc.com](mailto:lincenergyinfo@kccllc.com)  
OR BY SUBMISSION TO THE CASE WEBSITE  
[www.kccllc.net/linc](http://www.kccllc.net/linc).**

10. IF YOU HAVE RECEIVED A DAMAGED BALLOT, HAVE LOST YOUR BALLOT, OR IF YOU HAVE ANY QUESTIONS CONCERNING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CALL THE VOTING AGENT AT (877) 634-7166 FOR

CALLS ORIGINATING FROM THE UNITED STATES OR CANADA AND (424) 236-7222 FOR CALLS ORIGINATING FROM OUTSIDE THE UNITED STATES OR CANADA.

11. PLEASE NOTE THAT THE VOTING AGENT'S STAFF IS NOT PERMITTED TO GIVE LEGAL ADVICE. ANY PARTY RECEIVING THIS BALLOT SHOULD CONSULT AN ATTORNEY REGARDING ANY QUESTIONS IT MAY HAVE RELATING TO THIS BALLOT AND THE OTHER DOCUMENTS REFERENCED HEREIN.

*[Remainder of page intentionally left blank]*

**PLEASE READ THE ATTACHED VOTING INFORMATION AND INSTRUCTIONS BEFORE COMPLETING THIS BALLOT**

PLEASE COMPLETE ALL ITEMS BELOW. IF THIS BALLOT IS NOT SIGNED ON THE APPROPRIATE LINES, THIS BALLOT WILL NOT BE VALID OR COUNTED AS HAVING BEEN CAST.

**Item 1. Class Vote.** The undersigned, a holder of a **Claim in Class 5 (General Unsecured Claims)** in the amount set forth below, votes to (check one box):

- Accept** the Plan.  **Reject** the Plan.

Voting Amount: \$ \_\_\_\_\_

**Item 2. [OPTIONAL] Releases.**

**IMPORTANT INFORMATION REGARDING CERTAIN RELEASES BY HOLDERS OF CLAIMS:**

**ONLY** IF YOU CHECK THE BOX BELOW, WILL YOU BE DEEMED TO HAVE OPTED OUT OF THE RELEASES IN SECTION 10.02 OF THE PLAN (AS SET FORTH BELOW). IF YOU DO NOT CHECK THE BOX BELOW, YOU WILL BE BOUND BY THE RELEASES SET FORTH IN SECTION 10.02 OF THE PLAN.

By checking the box below, the holder of Claim(s) set forth in Item 1 elects to:

- Opt out of the release provided in Section 10.02 of the Plan

*[Remainder of page intentionally left blank]*

The third-party releases<sup>3</sup> in Section 10.02 provide as follows:

**Section 10.02 Certain Voluntary Releases by Holders of Claims**

Except as otherwise expressly provided in this Plan or the Confirmation Order, and to the fullest extent authorized by applicable law, for good and valuable consideration, the adequacy of which is hereby confirmed, the Released Parties are deemed released and discharged by (a) each other Released Party and (b) the Releasing Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, remedies, Causes of Action, rights of setoff, other rights, and liabilities whatsoever, whether for tort, contract, violations of federal or state securities laws, Avoidance Actions, including any derivative claims, asserted or that could possibly have been asserted directly or indirectly on behalf of the Releasing Parties or their Affiliates, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, and any and all Causes of Action asserted or that could possibly have been asserted on behalf of a Released Party or a Releasing Party or any of its Affiliates (whether individually or collectively) or on behalf of the holder of any Claim or Equity Interest or other Entity, based on or in any way relating to, or in any manner arising from, in whole or in part, the Debtors, their Estates or their Affiliates, the conduct of the Debtors' businesses, the formulation, preparation, solicitation, dissemination, negotiation, or filing of the Disclosure Statement or Plan or any contract, instrument, release, or other agreement or document created or entered into in connection with or pursuant to the Disclosure Statement, or this Plan, the filing and prosecution of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the purchase, sale, or rescission of the purchase or

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<sup>3</sup> The Plan defines "Released Parties" as "each of: (a) the Debtors; (b) the Creditor Trustee; (c) the Creditors Committee; (d) the Ad Hoc Noteholder Group and its members; (e) the Prepetition Noteholders; (f) the Indenture Trustees; (g) the DIP Agent; (h) the DIP Lenders; and (j) in each case, their predecessors, successors and assigns, professionals, advisors, accountants, attorneys, investment bankers, and consultants, and in the case of (b) through (h), their current and former affiliates, subsidiaries, funds, portfolio companies, management companies, employees, agents, directors and officers, and other representatives (each solely in their capacity as such). For the avoidance of doubt, the Debtors' directors and officers are not included in the definition of 'Released Parties.'" Plan, Art. I ¶ 101. The Plan defines "Exculpated Parties" as "each of: (a) the Debtors; (b) the Creditor Trustee; (c) the Creditors Committee; (d) the Ad Hoc Noteholder Group and its members; (e) the Prepetition Noteholders; (f) the Indenture Trustees; (g) the DIP Agent; (h) the DIP Lenders; and (j) in each case, their predecessors, successors and assigns, current and former affiliates, subsidiaries, funds, portfolio companies, management companies, current and former officers, directors, professionals, advisors, accountants, attorneys, investment bankers, consultants, employees, agents and other representatives (each solely in their capacity as such)." Plan, Art. I ¶ 53. The Plan defines "Releasing Parties" as "each holder of a Claim against the Debtors that (a) is Unimpaired pursuant to this Plan and therefore is deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code, or (b) receives and returns a Ballot indicating an election not to opt out of the releases provided in Section 10.02 herein." Plan, Art. I ¶ 102.

**sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in this Plan, the business or contractual arrangements between the Debtors, their Estates or their Affiliates, on the one hand, and any Released Party, on the other hand, prepetition contracts and agreements with one or both Debtors, or any other act or omission, transaction, agreement, event, or other occurrence taking place before the Effective Date; provided that to the extent that a claim or Cause of Action is determined by a Final Order to have resulted from fraud, gross negligence or willful misconduct of a Released Party, such claim or Cause of Action shall not be so released against such Released Party. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release (i) any obligations arising on or after the Effective Date of any party under this Plan, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan; and (ii) the right of the Debtors or the Creditor Trustee to object to Claims filed by any Person against any Debtor or an Estate, or to assert counterclaims or defenses in respect of such Claims, including rights of setoff, refund, recoupment or other adjustments as provided for herein. Notwithstanding anything in the above and in this Plan, nothing in the above paragraph or this Plan shall impair the Creditor Trust in bringing any claim or asserting any cause of action against any former officers, directors, managers, agents, employees, or fiduciaries of any of the Debtors.**

**Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the release set forth in this Section 10.02, which includes by reference each of the related provisions and definitions contained herein, and further, shall constitute the Bankruptcy Court's finding that such release is: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the claims released by this Section 10.02; (c) in the best interests of the Debtors, their Estates and all holders of Claims and Equity Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to any Entity asserting any claim or Cause of Action released by this Section 10.02.**

*[Remainder of page intentionally left blank]*

**Item 3. Acknowledgments.** By signing this Ballot, the undersigned acknowledges receipt of the Disclosure Statement and the other applicable solicitation materials and certifies that the undersigned is the claimant or has the power and authority to vote to accept or reject the Plan on behalf of the claimant. The undersigned understands that an otherwise properly completed, executed, and timely returned Ballot that does not indicate either acceptance or rejection of the Plan, or indicates both acceptance and rejection of the Plan, will not be counted.

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Name of Creditor

---

Signature

---

If by Authorized Agent, Name and Title

---

Name of Institution

---

Street Address  
City, State, Zip Code

---

Telephone Number

---

Email

---

Date Completed

- Please check here if the above address is a Change of Address that you would like reflected in the Creditor Matrix for this Chapter 11 Case.*

**PLEASE MAKE SURE YOU HAVE PROVIDED ALL INFORMATION REQUESTED ON THIS BALLOT. PLEASE READ AND FOLLOW THE INSTRUCTIONS SET FORTH HEREIN CAREFULLY. PLEASE COMPLETE, SIGN, AND DATE THIS BALLOT AND PROMPTLY RETURN IT BY MAIL, HAND DELIVERY, OR OVERNIGHT COURIER SO THAT IT IS ACTUALLY RECEIVED BY THE VOTING AGENT BY THE VOTING DEADLINE.**



Exhibit C

Notice of Disputed Claim Status

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS**

<b>In re:</b>	)	<b>Chapter 11</b>
	)	
<b>LINC USA GP, et al.</b> <sup>1</sup>	)	<b>Case No. 16-32689 (DRJ)</b>
	)	
<b>Debtors.</b>	)	<b>(Jointly Administered)</b>

**NOTICE OF NON-VOTING STATUS AND TEMPORARY ALLOWANCE  
PROCEDURES WITH RESPECT TO UNLIQUIDATED OR DISPUTED CLAIMS**

**TO: HOLDERS OF UNLIQUIDATED CLAIMS  
HOLDERS OF DISPUTED CLAIMS**

**PLEASE TAKE NOTICE THAT:**

1. On [DATE], the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”) conditionally approved the Joint Disclosure Statement pursuant to Bankruptcy Code section 1125 with regard to the Debtors' Joint Plan of Reorganization (the “Disclosure Statement”) for use by debtors and debtors in possession Linc USA GP; Linc Energy Finance (USA), Inc.; Linc Energy Operations, Inc.; Linc Energy Resources, Inc.; Linc Gulf Coast Petroleum, Inc.; Linc Energy Petroleum (Wyoming), Inc.; Paen Insula Holdings, LLC; Linc Alaska Resources, LLC; and Linc Energy Petroleum (Louisiana), LLC (the “Debtors”) in soliciting acceptances or rejections of the Debtors' Joint Plan of Reorganization (the “Plan”) from those holders of impaired claims who are (or may be) entitled to receive distributions under the Plan.

2. In conjunction with conditionally approving the Disclosure Statement, the Bankruptcy Court entered an order (a) granting conditional approval of adequacy of the information contained in the Disclosure Statement (b) approving the solicitation materials and procedures, (c) approving the plan confirmation schedule, (d) setting a consolidated hearing on final approval of the Disclosure Statement and confirmation of the Debtors’ joint Plan, and (e) granting related relief. (the “Solicitation Procedures Order”).<sup>2</sup>

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<sup>1</sup> The debtors in possession in these chapter 11 cases, along with the last four digits of each debtor in possession’s federal tax identification number, are: Linc Energy Finance (USA), Inc. (6684); Linc USA GP (5234); Linc Energy Resources, Inc. (9613); Linc Gulf Coast Petroleum, Inc. (6790); Linc Energy Petroleum (Louisiana), LLC (1074); Linc Alaska Resources, LLC (2362); Paen Insula Holdings, LLC (1681); Linc Energy Petroleum (Wyoming), Inc. (9859); Diasu Holdings, LLC (9626); Diasu Oil & Gas Company, Inc. (8926); and Linc Energy Operations, Inc. (5806).

<sup>2</sup> All capitalized terms used herein but not otherwise defined herein shall have the meanings given to such terms in the *Expedited Motion for Entry of an Order (A) Granting Conditional Approval of Adequacy of Disclosure Statement (B) Approving Solicitation Materials and Procedures, (C) Approving Plan Confirmation Schedule, (D) Setting a Consolidated Hearing on Final Approval of Disclosure Statement and Confirmation of Debtors’ Joint Chapter 11 Plan of Liquidation and (E) Granting Related Relief* (the “Motion”).

3. Under the Bankruptcy Code, only holders of allowed Claims may vote to accept or reject a plan. **YOUR CLAIM, IF ANY, HAS BEEN DESIGNATED AS UNLIQUIDATED OR DISPUTED. A LATE FILED CLAIM IS CONSIDERED TO BE DISPUTED FOR THIS PURPOSE.** Accordingly, you are not entitled to vote, and the enclosed documents are provided for informational purposes only. If you wish to dispute the unliquidated or disputed designation and to seek the right to vote on the Plan, you must: (a) request temporary allowance of your Claim for voting purposes on or before [DATE], by filing an appropriate motion (a “Rule 3018 Motion”) with the Bankruptcy Court; (b) request a ballot from the Voting Agent at the address, email address or phone number listed below (c) on or before [DATE], complete and return the ballot according to the instructions contained on the ballot. The procedures for filing a Rule 3018 Motion, including the deadline of [DATE], established by the Bankruptcy Court for filing such motions, are set forth in the Solicitation Procedures Order.

4. A combined hearing to consider whether the Disclosure Statement contains adequate information and whether confirmation of the Plan is appropriate will be held on [DATE], at [TIME] (**prevailing Central Time**), before the Honorable David R. Jones, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of Texas, Houston Division, Courtroom 400, 515 Rusk, Houston, TX 77002. The hearing may be adjourned from time to time without further notice to creditors or other parties in interest, other than by announcement of such adjournment in open court.

5. The Plan contains the following releases:<sup>3</sup>

#### **Section 10.02 Certain Voluntary Releases by Holders of Claims**

**Except as otherwise expressly provided in this Plan or the Confirmation Order, and to the fullest extent authorized by applicable law, for good and valuable consideration, the adequacy of which is hereby confirmed, the Released Parties are deemed released and discharged by (a) each other Released Party and (b) the Releasing Parties from any and all claims, obligations, suits, judgments,**

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<sup>3</sup> The Plan defines “Released Parties” as “each of: (a) the Debtors; (b) the Creditor Trustee; (c) the Creditors Committee; (d) the Ad Hoc Noteholder Group and its members; (e) the Prepetition Noteholders; (f) the Indenture Trustees; (g) the DIP Agent; (h) the DIP Lenders; and (j) in each case, their predecessors, successors and assigns, professionals, advisors, accountants, attorneys, investment bankers, and consultants, and in the case of (b) through (h), their current and former affiliates, subsidiaries, funds, portfolio companies, management companies, employees, agents, directors and officers, and other representatives (each solely in their capacity as such). For the avoidance of doubt, the Debtors’ directors and officers are not included in the definition of ‘Released Parties.’” Plan, Art. I ¶ 101. The Plan defines “Exculpated Parties” as “each of: (a) the Debtors; (b) the Creditor Trustee; (c) the Creditors Committee; (d) the Ad Hoc Noteholder Group and its members; (e) the Prepetition Noteholders; (f) the Indenture Trustees; (g) the DIP Agent; (h) the DIP Lenders; and (j) in each case, their predecessors, successors and assigns, current and former affiliates, subsidiaries, funds, portfolio companies, management companies, current and former officers, directors, professionals, advisors, accountants, attorneys, investment bankers, consultants, employees, agents and other representatives (each solely in their capacity as such).” Plan, Art. I ¶ 53. The Plan defines “Releasing Parties” as “each holder of a Claim against the Debtors that (a) is Unimpaired pursuant to this Plan and therefore is deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code, or (b) receives and returns a Ballot indicating an election not to opt out of the releases provided in Section 10.02 herein.” Plan, Art. I ¶ 102.

damages, demands, debts, remedies, Causes of Action, rights of setoff, other rights, and liabilities whatsoever, whether for tort, contract, violations of federal or state securities laws, Avoidance Actions, including any derivative claims, asserted or that could possibly have been asserted directly or indirectly on behalf of the Releasing Parties or their Affiliates, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, and any and all Causes of Action asserted or that could possibly have been asserted on behalf of a Released Party or a Releasing Party or any of its Affiliates (whether individually or collectively) or on behalf of the holder of any Claim or Equity Interest or other Entity, based on or in any way relating to, or in any manner arising from, in whole or in part, the Debtors, their Estates or their Affiliates, the conduct of the Debtors' businesses, the formulation, preparation, solicitation, dissemination, negotiation, or filing of the Disclosure Statement or Plan or any contract, instrument, release, or other agreement or document created or entered into in connection with or pursuant to the Disclosure Statement, or this Plan, the filing and prosecution of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in this Plan, the business or contractual arrangements between the Debtors, their Estates or their Affiliates, on the one hand, and any Released Party, on the other hand, prepetition contracts and agreements with one or both Debtors, or any other act or omission, transaction, agreement, event, or other occurrence taking place before the Effective Date; provided that to the extent that a claim or Cause of Action is determined by a Final Order to have resulted from fraud, gross negligence or willful misconduct of a Released Party, such claim or Cause of Action shall not be so released against such Released Party. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release (i) any obligations arising on or after the Effective Date of any party under this Plan, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan; and (ii) the right of the Debtors or the Creditor Trustee to object to Claims filed by any Person against any Debtor or an Estate, or to assert counterclaims or defenses in respect of such Claims, including rights of setoff, refund, recoupment or other adjustments as provided for herein. Notwithstanding anything in the above and in this Plan, nothing in the above paragraph or this Plan shall impair the Creditor Trust in bringing any claim or asserting any cause of action against any former officers, directors, managers, agents, employees, or fiduciaries of any of the Debtors.

**Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the release set forth in this Section 10.02, which includes by reference each of the related provisions and definitions contained herein, and further, shall constitute the Bankruptcy Court's finding that such release is: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the claims released by this Section 10.02; (c) in the best interests of the Debtors, their Estates and all holders of Claims and Equity Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to any Entity asserting any claim or Cause of Action released by this Section 10.02.**

6. No later than [DATE], all objections to approval of the Disclosure Statement and/or confirmation of the Plan must be (a) filed with the Office of the Clerk, United States Bankruptcy Court for the Southern District of Texas, Houston Division, United States Courthouse 515 Rusk Avenue Houston, TX 77002; (b) served on the following parties so as to be received no later than 3:00 p.m. (prevailing Central Time) on [DATE]: (i) the Debtors: Linc USA GP, 23501 Cinco Ranch Blvd, Suite H120-915, Katy TX 77494; (ii) Counsel to the Debtors: Bracewell LLP, 711 Louisiana Street, Suite 2300, Houston, Texas 77002 (Attn: Jason G. Cohen, email: jason.cohen@bracewelllaw.com); (iii) Counsel for the Committee: Pillsbury Winthrop Shaw Pittman LLP, 909 Fannin, Suite 2000 Houston, TX 77010-1018 (Attn: Hugh M. Ray, III, email: hugh.ray@pillsburylaw.com); (iv) counsel to the Ad Hoc Group of First Lien Noteholders (as that term is defined in the Final DIP Order), Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019 (Attn: Kevin O'Neill, email: koneill@paulweiss.com, and Brian S. Hermann, email: bhermann@paulweiss.com) and (v) United States Department of Justice, Office of the United States Trustee for the Southern District of Texas, Houston Division, Office of The United States Trustee 515 Rusk Street, Suite 3516, Houston, TX 77002 (Attn: Hector Duran, email: hector.duran.jr@usdoj.gov).

7. The Plan may be further modified, if necessary, pursuant to Bankruptcy Code section 1127, prior to, during, or as a result of the confirmation hearing, without further notice to parties in interest.

8. Copies of the Solicitation Procedures Order, the Disclosure Statement, and the Plan may be obtained from the Voting Agent at: <http://www.kccllc.net/linc>, or by contacting the Voting Agent (i) electronically at <http://www.kccllc.net/linc/inquiry> or by email: [lincenergyinfo@kccllc.com](mailto:lincenergyinfo@kccllc.com); (ii) telephonically at (877) 634-7166; or (iii) by regular mail: Linc Energy Ballot Processing Center, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245.

**BRACEWELL LLP**

By: /s/ Jason G. Cohen

Jason G. Cohen  
Texas Bar No. 24050435  
Jason.Cohen@bracewelllaw.com  
William A. (Trey) Wood III  
Texas Bar No. 21916050  
Trey.Wood@bracewelllaw.com  
711 Louisiana, Suite 2300  
Houston, Texas 77002  
Telephone: (713) 223-2300  
Facsimile: (713) 221-1212

**COUNSEL FOR THE DEBTORS AND  
DEBTORS IN POSSESSION**

Exhibit D

Notice of Non-Voting Status

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS**

<b>In re:</b>	)	<b>Chapter 11</b>
<b>LINC USA GP, et al.</b> <sup>1</sup>	)	<b>Case No. 16-32689 (DRJ)</b>
<b>Debtors.</b>	)	<b>(Jointly Administered)</b>

**NOTICE OF NON-VOTING STATUS UNDER DEBTORS’  
JOINT PLAN OF LIQUIDATION**

**TO: HOLDERS OF UNIMPAIRED CLAIMS**

**PLEASE TAKE NOTICE THAT:**

1. On [DATE], the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”) conditionally approved the Joint Disclosure Statement pursuant to Bankruptcy Code section 1125 with regard to the Debtors' Joint Plan of Reorganization (the “Disclosure Statement”) for use by debtors and debtors in possession Linc USA GP; Linc Energy Finance (USA), Inc.; Linc Energy Operations, Inc.; Linc Energy Resources, Inc.; Linc Gulf Coast Petroleum, Inc.; Linc Energy Petroleum (Wyoming), Inc.; Paen Insula Holdings, LLC; Linc Alaska Resources, LLC; and Linc Energy Petroleum (Louisiana), LLC (the “Debtors”) in soliciting acceptances or rejections of the Debtors' Joint Plan of Reorganization (the “Plan”) from those holders of impaired claims who are (or may be) entitled to receive distributions under the Plan.

2. In conjunction with conditionally approving the Disclosure Statement, the Bankruptcy Court entered an order (a) granting conditional approval of adequacy of the information contained in the Disclosure Statement, (b) approving the solicitation materials and procedures, (c) approving the plan confirmation schedule, (d) setting a consolidated hearing on final approval of the Disclosure Statement and confirmation of the Debtors’ joint Plan and (e) granting related relief. (the “Solicitation Procedures Order”).<sup>2</sup>

<sup>1</sup> The debtors in possession in these chapter 11 cases, along with the last four digits of each debtor in possession’s federal tax identification number, are: Linc Energy Finance (USA), Inc. (6684); Linc USA GP (5234); Linc Energy Resources, Inc. (9613); Linc Gulf Coast Petroleum, Inc. (6790); Linc Energy Petroleum (Louisiana), LLC (1074); Linc Alaska Resources, LLC (2362); Paen Insula Holdings, LLC (1681); Linc Energy Petroleum (Wyoming), Inc. (9859); Diasu Holdings, LLC (9626); Diasu Oil & Gas Company, Inc. (8926); and Linc Energy Operations, Inc. (5806).

<sup>2</sup> Capitalized terms used in herein but not otherwise defined herein shall have the meanings given to such terms in the *Expedited Motion for Entry of an Order (A) Granting Conditional Approval of Adequacy of Disclosure Statement (B) Approving Solicitation Materials and Procedures, (C) Approving Plan Confirmation Schedule, (D) Setting a Consolidated Hearing on Final Approval of Disclosure Statement and Confirmation of Debtors’ Joint Chapter 11 Plan of Liquidation and (E) Granting Related Relief* (the “Motion”).



3. You are receiving this Notice because you are, or based on your Proof of Claim you may be, the holder of a Claim which has been classified in Class [ ], which is unimpaired. This class is comprised of [description of class].

4. Under the Plan, unimpaired Claims will be paid in full to the extent such Claim is allowed. You are conclusively presumed to accept the Plan pursuant to Bankruptcy Code section 1126(f), and, as such, are not entitled to vote on the Plan. Nevertheless, you are a party-in-interest in the Debtors' chapter 11 cases. You are entitled to participate in the Debtors' chapter 11 cases, including by filing objections to confirmation of the Plan.

5. THIS NOTICE DOES NOT CONSTITUTE AND SHALL NOT BE DEEMED TO CONSTITUTE AN ADMISSION BY THE DEBTORS OF THE NATURE, VALIDITY OR AMOUNT OF YOUR CLAIM. IF YOUR CLAIM HAS NOT BEEN ALLOWED, THE DEBTORS RESERVE THE RIGHT TO FILE AN OBJECTION TO THE NATURE, VALIDITY OR AMOUNT OF YOUR CLAIM.

6. The Plan contains the following releases:<sup>3</sup>

#### **Section 10.02 Certain Voluntary Releases by Holders of Claims**

**Except as otherwise expressly provided in this Plan or the Confirmation Order, and to the fullest extent authorized by applicable law, for good and valuable consideration, the adequacy of which is hereby confirmed, the Released Parties are deemed released and discharged by (a) each other Released Party and (b) the Releasing Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, remedies, Causes of Action, rights of setoff, other rights, and liabilities whatsoever, whether for tort, contract, violations of federal or state securities laws, Avoidance Actions, including any derivative claims, asserted or that could possibly have been asserted directly or indirectly on behalf of the Releasing Parties**

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<sup>3</sup> The Plan defines "Released Parties" as "each of: (a) the Debtors; (b) the Creditor Trustee; (c) the Creditors Committee; (d) the Ad Hoc Noteholder Group and its members; (e) the Prepetition Noteholders; (f) the Indenture Trustees; (g) the DIP Agent; (h) the DIP Lenders; and (j) in each case, their predecessors, successors and assigns, professionals, advisors, accountants, attorneys, investment bankers, and consultants, and in the case of (b) through (h), their current and former affiliates, subsidiaries, funds, portfolio companies, management companies, employees, agents, directors and officers, and other representatives (each solely in their capacity as such). For the avoidance of doubt, the Debtors' directors and officers are not included in the definition of 'Released Parties.'" Plan, Art. I ¶ 101. The Plan defines "Exculpated Parties" as "each of: (a) the Debtors; (b) the Creditor Trustee; (c) the Creditors Committee; (d) the Ad Hoc Noteholder Group and its members; (e) the Prepetition Noteholders; (f) the Indenture Trustees; (g) the DIP Agent; (h) the DIP Lenders; and (j) in each case, their predecessors, successors and assigns, current and former affiliates, subsidiaries, funds, portfolio companies, management companies, current and former officers, directors, professionals, advisors, accountants, attorneys, investment bankers, consultants, employees, agents and other representatives (each solely in their capacity as such)." Plan, Art. I ¶ 53. The Plan defines "Releasing Parties" as "each holder of a Claim against the Debtors that (a) is Unimpaired pursuant to this Plan and therefore is deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code, or (b) receives and returns a Ballot indicating an election not to opt out of the releases provided in Section 10.02 herein." Plan, Art. I ¶ 102.

or their Affiliates, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, and any and all Causes of Action asserted or that could possibly have been asserted on behalf of a Released Party or a Releasing Party or any of its Affiliates (whether individually or collectively) or on behalf of the holder of any Claim or Equity Interest or other Entity, based on or in any way relating to, or in any manner arising from, in whole or in part, the Debtors, their Estates or their Affiliates, the conduct of the Debtors' businesses, the formulation, preparation, solicitation, dissemination, negotiation, or filing of the Disclosure Statement or Plan or any contract, instrument, release, or other agreement or document created or entered into in connection with or pursuant to the Disclosure Statement, or this Plan, the filing and prosecution of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in this Plan, the business or contractual arrangements between the Debtors, their Estates or their Affiliates, on the one hand, and any Released Party, on the other hand, prepetition contracts and agreements with one or both Debtors, or any other act or omission, transaction, agreement, event, or other occurrence taking place before the Effective Date; provided that to the extent that a claim or Cause of Action is determined by a Final Order to have resulted from fraud, gross negligence or willful misconduct of a Released Party, such claim or Cause of Action shall not be so released against such Released Party. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release (i) any obligations arising on or after the Effective Date of any party under this Plan, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan; and (ii) the right of the Debtors or the Creditor Trustee to object to Claims filed by any Person against any Debtor or an Estate, or to assert counterclaims or defenses in respect of such Claims, including rights of setoff, refund, recoupment or other adjustments as provided for herein. Notwithstanding anything in the above and in this Plan, nothing in the above paragraph or this Plan shall impair the Creditor Trust in bringing any claim or asserting any cause of action against any former officers, directors, managers, agents, employees, or fiduciaries of any of the Debtors.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the release set forth in this Section 10.02, which includes by reference each of the related provisions and definitions contained herein, and

**further, shall constitute the Bankruptcy Court's finding that such release is: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the claims released by this Section 10.02; (c) in the best interests of the Debtors, their Estates and all holders of Claims and Equity Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to any Entity asserting any claim or Cause of Action released by this Section 10.02.**

7. A combined hearing to consider whether the Disclosure Statement contains adequate information and whether confirmation of the Plan is appropriate will be held on **[DATE], at [TIME] (prevailing Central Time)**, before the Honorable David R. Jones, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of Texas, Houston Division, Courtroom 400, 515 Rusk, Houston, TX 77002. The hearing may be adjourned from time to time without further notice to creditors or other parties in interest, other than by announcement of such adjournment in open court.

8. No later than **[DATE]**, all objections to approval of the Disclosure Statement and/or confirmation of the Plan must be (a) filed with the Office of the Clerk, United States Bankruptcy Court for the Southern District of Texas, Houston Division, United States Courthouse 515 Rusk Avenue Houston, TX 77002; (b) served on the following parties so as to be received no later than 3:00 p.m. (prevailing Central Time) on **[DATE]**: (i) the Debtors: Linc USA GP, 23501 Cinco Ranch Blvd, Suite H120-915, Katy TX 77494; (ii) Counsel to the Debtors: Bracewell LLP, 711 Louisiana Street, Suite 2300, Houston, Texas 77002 (Attn: Jason G. Cohen, email: jason.cohen@bracewelllaw.com); (iii) Counsel for the Committee: Pillsbury Winthrop Shaw Pittman LLP, 909 Fannin, Suite 2000 Houston, TX 77010-1018 (Attn: Hugh M. Ray, III, email: hugh.ray@pillsburylaw.com); (iv) counsel to the Ad Hoc Group of First Lien Noteholders (as that term is defined in the Final DIP Order), Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019 (Attn: Kevin O'Neill, email: koneill@paulweiss.com, and Brian S. Hermann, email: bhermann@paulweiss.com) and (v) United States Department of Justice, Office of the United States Trustee for the Southern District of Texas, Houston Division, Office of The United States Trustee 515 Rusk Street, Suite 3516, Houston, TX 77002 (Attn: Hector Duran, email: hector.duran.jr@usdoj.gov).

9. **IF YOU BELIEVE THAT THE IDENTIFIED PLAN CLASS IS INCORRECT, YOU MUST FILE WITH THE BANKRUPTCY COURT ON OR BEFORE [DATE], A "MOTION FOR DETERMINATION OF PLAN CLASS."** Your motion must identify the Plan Class in which you believe your Claim, if reclassified, would belong, as well as the basis for your belief. If the Debtors disagree, they will file an objection and schedule a hearing before the Bankruptcy Court, with notice to you. If the Debtors agree, they will file a consent, with notice to you. If you do not file a motion by **[DATE]**, and if your Claim is not reclassified, the identified Plan Class will be binding on you.

*[Remainder of page intentionally left blank]*

10. The Plan may be further modified, if necessary, pursuant to Bankruptcy Code section 1127, prior to, during, or as a result of the Combined Hearing, without further notice to parties in interest.

**BRACEWELL LLP**

By: /s/ Jason G. Cohen

Jason G. Cohen

Texas Bar No. 24050435

Jason.Cohen@bracewelllaw.com

William A. (Trey) Wood III

Texas Bar No. 21916050

Trey.Wood@bracewelllaw.com

711 Louisiana, Suite 2300

Houston, Texas 77002

Telephone: (713) 223-2300

Facsimile: (713) 221-1212

**COUNSEL FOR THE DEBTORS AND  
DEBTORS IN POSSESSION**

Exhibit E

Combined Hearing Notice

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS**

<b>In re:</b>  <b>LINC USA GP, et al.</b> <sup>1</sup>  <p style="text-align: right;"><b>Debtors.</b></p>	) ) ) ) )	<b>Chapter 11</b>  <b>Case No. 16-32689 (DRJ)</b>  <b>(Jointly Administered)</b>
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**NOTICE OF (A) DEADLINE FOR CASTING VOTES TO ACCEPT OR REJECT JOINT LIQUIDATING PLAN FOR THE DEBTORS, (B) COMBINED HEARING TO CONSIDER APPROVAL OF DISCLOSURE STATEMENT AND CONFIRMATION OF PLAN AND (C) RELATED MATTERS AND PROCEDURES**

1. On December 19, 2016, debtors and debtors in possession Linc USA GP; Linc Energy Finance (USA), Inc.; Linc Energy Operations, Inc.; Linc Energy Resources, Inc.; Linc Gulf Coast Petroleum, Inc.; Linc Energy Petroleum (Wyoming), Inc.; Paen Insula Holdings, LLC; Linc Alaska Resources, LLC; and Linc Energy Petroleum (Louisiana), LLC (the “Debtors”) filed: (a) their joint liquidating chapter 11 plan (as it may be amended or modified, the “Plan”); and (b) the joint disclosure statement pursuant to Bankruptcy Code section 1125 with regard to the Debtors’ joint plan of reorganization (the “Disclosure Statement”) for use by Linc USA GP and its affiliates. On [DATE], the Debtors filed their *Expedited Motion for Entry of an Order (A) Granting Conditional Approval of Adequacy of Disclosure Statement (B) Approving Solicitation Materials and Procedures, (C) Approving Plan Confirmation Schedule, (D) Setting a Consolidated Hearing on Final Approval of Disclosure Statement and Confirmation of Debtors’ Joint Chapter 11 Plan of Liquidation and (E) Granting Related Relief* (the “Motion”).

2. On [DATE], the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”) conditionally approved the Disclosure Statement.

3. In conjunction with conditionally approving the Disclosure Statement, the Bankruptcy Court entered an order (a) granting conditional approval of adequacy of the information contained in the Disclosure Statement, (b) approving the solicitation materials and procedures, (c) approving the plan confirmation schedule, (d) setting a consolidated hearing on final approval of the Disclosure Statement and confirmation of the Debtors’ joint Plan and (e) granting related relief. (the “Solicitation Procedures Order”).<sup>2</sup>

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<sup>1</sup> The debtors in possession in these chapter 11 cases, along with the last four digits of each debtor in possession’s federal tax identification number, are: Linc Energy Finance (USA), Inc. (6684); Linc USA GP (5234); Linc Energy Resources, Inc. (9613); Linc Gulf Coast Petroleum, Inc. (6790); Linc Energy Petroleum (Louisiana), LLC (1074); Linc Alaska Resources, LLC (2362); Paen Insula Holdings, LLC (1681); Linc Energy Petroleum (Wyoming), Inc. (9859); Diasu Holdings, LLC (9626); Diasu Oil & Gas Company, Inc. (8926); and Linc Energy Operations, Inc. (5806).

<sup>2</sup> Capitalized terms used herein but not otherwise defined herein shall have the meanings given to such terms in the *Expedited Motion for Entry of an Order (A) Granting Conditional Approval of Adequacy of Disclosure Statement (B) Approving Solicitation Materials and Procedures, (C) Approving Plan Confirmation Schedule, (D) Setting a*

4. A combined hearing to consider whether the Disclosure Statement contains adequate information and whether confirmation of the Plan is appropriate will be held on [DATE], at [TIME] (**prevailing Central Time**), before the Honorable David R. Jones, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of Texas, Houston Division, Courtroom 400, 515 Rusk, Houston, TX 77002. The hearing may be adjourned from time to time without further notice to creditors or other parties in interest, other than by announcement of such adjournment in open court.

5. No later than [DATE], all objections to approval of the Disclosure Statement and/or confirmation of the Plan must be (a) filed with the Office of the Clerk, United States Bankruptcy Court for the Southern District of Texas, Houston Division, United States Courthouse 515 Rusk Avenue Houston, TX 77002; (b) served on the following parties so as to be received no later than 3:00 p.m. (prevailing Central Time) on [DATE]: (i) the Debtors: Linc USA GP, 23501 Cinco Ranch Blvd, Suite H120-915, Katy TX 77494; (ii) Counsel to the Debtors: Bracewell LLP, 711 Louisiana Street, Suite 2300, Houston, Texas 77002 (Attn: Jason G. Cohen, email: jason.cohen@bracewelllaw.com); (iii) Counsel for the Committee: Pillsbury Winthrop Shaw Pittman LLP, 909 Fannin, Suite 2000 Houston, TX 77010-1018 (Attn: Hugh M. Ray, III, email: hugh.ray@pillsburylaw.com); (iv) counsel to the Ad Hoc Group of First Lien Noteholders (as that term is defined in the Final DIP Order), Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019 (Attn: Kevin O'Neill, email: koneill@paulweiss.com, and Brian S. Hermann, email: bhermann@paulweiss.com) and (v) United States Department of Justice, Office of the United States Trustee for the Southern District of Texas, Houston Division, Office of The United States Trustee 515 Rusk Street, Suite 3516, Houston, TX 77002 (Attn: Hector Duran, email: hector.duran.jr@usdoj.gov).

**6. THE PLAN CONTAINS CERTAIN RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS.<sup>3</sup>**

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*Consolidated Hearing on Final Approval of Disclosure Statement and Confirmation of Debtors' Joint Chapter 11 Plan of Liquidation and (E) Granting Related Relief (the "Motion").*

<sup>3</sup> The Plan defines "Released Parties" as "each of: (a) the Debtors; (b) the Creditor Trustee; (c) the Creditors Committee; (d) the Ad Hoc Noteholder Group and its members; (e) the Prepetition Noteholders; (f) the Indenture Trustees; (g) the DIP Agent; (h) the DIP Lenders; and (j) in each case, their predecessors, successors and assigns, professionals, advisors, accountants, attorneys, investment bankers, and consultants, and in the case of (b) through (h), their current and former affiliates, subsidiaries, funds, portfolio companies, management companies, employees, agents, directors and officers, and other representatives (each solely in their capacity as such). For the avoidance of doubt, the Debtors' directors and officers are not included in the definition of 'Released Parties.'" Plan, Art. I ¶ 101. The Plan defines "Exculpated Parties" as "each of: (a) the Debtors; (b) the Creditor Trustee; (c) the Creditors Committee; (d) the Ad Hoc Noteholder Group and its members; (e) the Prepetition Noteholders; (f) the Indenture Trustees; (g) the DIP Agent; (h) the DIP Lenders; and (j) in each case, their predecessors, successors and assigns, current and former affiliates, subsidiaries, funds, portfolio companies, management companies, current and former officers, directors, professionals, advisors, accountants, attorneys, investment bankers, consultants, employees, agents and other representatives (each solely in their capacity as such)." Plan, Art. I ¶ 53. The Plan defines "Releasing Parties" as "each holder of a Claim against the Debtors that (a) is Unimpaired pursuant to this Plan and therefore is deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code, or (b) receives and returns a Ballot indicating an election not to opt out of the releases provided in Section 10.02 herein." Plan, Art. I ¶ 102.

**SPECIFICALLY, ARTICLE X, SECTION 10.02 PROVIDES:**

**Section 10.02 Certain Voluntary Releases by Holders of Claims**

Except as otherwise expressly provided in this Plan or the Confirmation Order, and to the fullest extent authorized by applicable law, for good and valuable consideration, the adequacy of which is hereby confirmed, the Released Parties are deemed released and discharged by (a) each other Released Party and (b) the Releasing Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, remedies, Causes of Action, rights of setoff, other rights, and liabilities whatsoever, whether for tort, contract, violations of federal or state securities laws, Avoidance Actions, including any derivative claims, asserted or that could possibly have been asserted directly or indirectly on behalf of the Releasing Parties or their Affiliates, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, and any and all Causes of Action asserted or that could possibly have been asserted on behalf of a Released Party or a Releasing Party or any of its Affiliates (whether individually or collectively) or on behalf of the holder of any Claim or Equity Interest or other Entity, based on or in any way relating to, or in any manner arising from, in whole or in part, the Debtors, their Estates or their Affiliates, the conduct of the Debtors' businesses, the formulation, preparation, solicitation, dissemination, negotiation, or filing of the Disclosure Statement or Plan or any contract, instrument, release, or other agreement or document created or entered into in connection with or pursuant to the Disclosure Statement, or this Plan, the filing and prosecution of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in this Plan, the business or contractual arrangements between the Debtors, their Estates or their Affiliates, on the one hand, and any Released Party, on the other hand, prepetition contracts and agreements with one or both Debtors, or any other act or omission, transaction, agreement, event, or other occurrence taking place before the Effective Date; provided that to the extent that a claim or Cause of Action is determined by a Final Order to have resulted from fraud, gross negligence or willful misconduct of a Released Party, such claim or Cause of Action shall not be so released against such Released Party. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release (i) any obligations arising on or after the Effective Date of any party under this Plan, or any



**document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan; and (ii) the right of the Debtors or the Creditor Trustee to object to Claims filed by any Person against any Debtor or an Estate, or to assert counterclaims or defenses in respect of such Claims, including rights of setoff, refund, recoupment or other adjustments as provided for herein. Notwithstanding anything in the above and in this Plan, nothing in the above paragraph or this Plan shall impair the Creditor Trust in bringing any claim or asserting any cause of action against any former officers, directors, managers, agents, employees, or fiduciaries of any of the Debtors.**

**Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the release set forth in this Section 10.02, which includes by reference each of the related provisions and definitions contained herein, and further, shall constitute the Bankruptcy Court's finding that such release is: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the claims released by this Section 10.02; (c) in the best interests of the Debtors, their Estates and all holders of Claims and Equity Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to any Entity asserting any claim or Cause of Action released by this Section 10.02.**

7. The Plan may be further modified, if necessary, pursuant to Bankruptcy Code section 1127, prior to, during, or as a result of the Combined Hearing, without further notice to parties in interest.

8. The Court has authorized the Debtors to retain Kurtzman Carson Consultants LLC to serve as the Debtors' solicitation and noticing agent (the "Voting Agent") to assist the Debtors in soliciting votes on and providing notice of the Plan, including mailing solicitation packages and notices, receiving and tabulating ballots cast on the Plan, and certifying to the Court the results of the balloting.

9. Copies of the Solicitation Procedures Order, the Disclosure Statement, and the Plan may be obtained from the Voting Agent at: <http://www.kccllc.net/linc>, or by contacting the Voting Agent (i) electronically at <http://www.kccllc.net/linc/inquiry> or by email: [lincenergyinfo@kccllc.com](mailto:lincenergyinfo@kccllc.com); (ii) telephonically at (877) 634-7166; or (iii) by regular mail: Linc Energy Ballot Processing Center, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245. By **[DATE]**, all ballots indicating acceptance or rejection of the Plan must be received by the Voting Agent (the "Voting Deadline"). The period during which Ballots with respect to the Plan will be accepted by the Debtors will terminate on the Voting Deadline. The Debtors may, in their sole discretion, extend the Voting Deadline as facts and circumstances may require without further order from the Court. Except as

provided in the Solicitation Procedures Order, ballots that are received after the Voting Deadline shall not be counted.

10. Ballots may be submitted to the Voting Agent by mail sent to Linc Energy Ballot Processing Center, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245, or electronically, either by email to [lincenergyinfo@kccllc.com](mailto:lincenergyinfo@kccllc.com) or by submission to the case website, [www.kccllc.net/linc](http://www.kccllc.net/linc).

11. Master Ballots must be submitted by mail to Linc Energy Ballot Processing Center, c/o Kurtzman Carson Consultants LLC, 1290 Avenue of the Americas, 9th Floor, New York, NY 10104, or electronically by email to [lincenergyinfo@kccllc.com](mailto:lincenergyinfo@kccllc.com).

12. Beneficial Holder Ballots must be submitted as set forth thereon or in the instructions provided by the Nominee.

**BRACEWELL LLP**

By: /s/ Jason G. Cohen

Jason G. Cohen  
Texas Bar No. 24050435  
[Jason.Cohen@bracewelllaw.com](mailto:Jason.Cohen@bracewelllaw.com)  
William A. (Trey) Wood III  
Texas Bar No. 21916050  
[Trey.Wood@bracewelllaw.com](mailto:Trey.Wood@bracewelllaw.com)  
711 Louisiana, Suite 2300  
Houston, Texas 77002  
Telephone: (713) 223-2300  
Facsimile: (713) 221-1212

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