

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

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In re	:	Chapter 11
	:	
ASCENT RESOURCES MARCELLUS HOLDINGS, LLC, <i>et al.</i> , ¹	:	Case No. 18-10265 (LSS)
	:	
Debtors.	:	Jointly Administered
	:	
	x	

**NOTICE OF (I) COMMENCEMENT OF PREPACKAGED CHAPTER 11
BANKRUPTCY CASES, (II) COMBINED HEARING ON (A) DISCLOSURE
STATEMENT AND (B) CONFIRMATION OF THE PLAN OF REORGANIZATION,
AND (III) PROCEDURES FOR OBJECTING TO THE DISCLOSURE STATEMENT
AND THE PLAN INCLUDING THE PROPOSED ASSUMPTION OR REJECTION OF
EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND
THE PAYMENT OF ASSOCIATED CURE COSTS**

PLEASE TAKE NOTICE that on February 6, 2018 (the “Petition Date”), the above-captioned debtors and debtors-in-possession commenced these chapter 11 proceedings in the United States Bankruptcy Court for the District of Delaware (the “Court”). On the same date, the Debtors filed with the Court a proposed prepackaged plan of reorganization [Docket No. 12] (including all schedules, annexes and exhibits thereto and as may be amended, modified or supplemented from time to time, the “Plan”) and a proposed disclosure statement [Docket No. 13] (including all schedules, annexes and exhibits thereto and as may be amended, modified or supplemented from time to time, the “Disclosure Statement”) pursuant to sections 1125 and 1126(b) of title 11 of the United States Code (the “Bankruptcy Code”).²

PLEASE TAKE FURTHER NOTICE that on the Petition Date, the Debtors also filed *Debtors’ Motion for Entry of an Order (I) Scheduling an Objection Deadline and Combined Hearing on the Disclosure Statement and Plan Confirmation, (II) Approving Form and Manner of Notice of Combined Hearing and Commencement, (III) Establishing Procedures for Objecting to the Disclosure Statement and the Plan, (IV) Approving Solicitation Procedures,*

¹ The Debtors in these chapter 11 cases, and the last four digits of their U.S. taxpayer identification numbers are: Ascent Resources Marcellus Holdings, LLC (3495) (“ARM Holdings”), Ascent Resources - Marcellus, LLC (0354) (“ARM”) and Ascent Resources Marcellus Minerals, LLC (5418) (“ARM Minerals” and together with ARM Holdings and ARM, the “Debtors”). The Debtors’ corporate headquarters is located at 3501 NW 63rd Street, Oklahoma City, Oklahoma 73116.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan. The statements contained herein are summaries of the provisions contained in the Plan and do not purport to be precise or complete statements of all the terms and provisions of the Plan or documents referred to therein. To the extent there is a discrepancy between the terms herein and the Plan, the Plan shall govern and control. For a more detailed description of the Plan, please refer to the Disclosure Statement.

(V) *Approving the Disclosure Statement and (VI) Granting Related Relief* [Docket No. 11] (the “Scheduling Motion”) with the Court, and on February 9, 2018, the Court entered an order with respect to the relief requested in the Scheduling Motion [Docket No. 43] (the “Scheduling Order”). Pursuant to the schedule and procedures set forth in the Scheduling Order, the Debtors seek to confirm the Plan.

PLEASE TAKE FURTHER NOTICE that you will not receive notice of all documents filed in the Debtors’ cases. Copies of the Plan, the Disclosure Statement and Scheduling Order may be obtained free of charge (i) from the Debtors’ restructuring website at <http://cases.primeclerk.com/ascentmarcellus> by clicking on the tab marked “Plan and Disclosure Statement”; (ii) by telephoning the Debtors’ restructuring hotline at (855) 628-7540; (iii) by making a request via first class mail or overnight mail to Ascent Resources Marcellus Holdings, LLC, c/o Prime Clerk LLC, 830 Third Avenue, 3rd Floor New York, NY 10022, (iv) by making a request via overnight mail to Ascent Resources Marcellus Holdings, LLC, c/o Prime Clerk LLC, 830 Third Avenue, 3rd Floor, New York, NY 10022 or (v) by making a request via email to Prime Clerk at ascentmarcellusinfo@primeclerk.com. The Plan and Disclosure Statement are also on file with the clerk of the Bankruptcy Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801, where they are available for review between the hours of 8:00 a.m. to 4:00 p.m. (Eastern Time) and are available on the Court’s website at www.deb.uscourts.gov.

PLEASE TAKE FURTHER NOTICE that the Plan renders all General Unsecured Claims unimpaired, and contemplates that such Claims will be paid in full in Cash in the ordinary course of business or on the Effective Date, or will receive such other treatment that renders the Claims “unimpaired,” as that term is defined under the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE that the following chart summarizes the treatment provided by and projected recoveries under the Plan to each Class of Claims and Interests. PLEASE NOTE THAT ONLY THE HOLDERS OF CLAIMS THAT FALL UNDER CLASSES 3A AND 3B ARE PERMITTED TO VOTE ON THE PLAN.

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES			
Class	Claim/Interest	Treatment of Claim/Interest	Projected Recovery Under the Plan
1	Other Priority Claims	Except to the extent that a Holder of an Allowed Other Priority Claim agrees to a less favorable treatment with the applicable Debtor(s) and the Supermajority Consenting First Lien Lenders, in full and final satisfaction, settlement, release, and discharge of and in exchange for its Allowed Other Priority Claim, each Holder of such Allowed Other Priority Claim shall be paid in full in Cash on or as soon as reasonably practicable after the latest of (i) the Effective Date, (ii) the date on which such Other Priority Claim becomes Allowed and (iii) such other date as may be ordered by the Bankruptcy Court.	100%

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES			
Class	Claim/Interest	Treatment of Claim/Interest	Projected Recovery Under the Plan
2	Other Secured Claims	Except to the extent that a Holder of an Allowed Other Secured Claim agrees to a less favorable treatment with the applicable Debtor(s) and the Supermajority Consenting First Lien Lenders, in full and final satisfaction, settlement, release, and discharge of and in exchange for its Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive one of the following treatments, in the sole discretion of the applicable Debtor: (i) payment in full in Cash, including the payment of any interest payable under section 506(b) of the Bankruptcy Code; (ii) delivery of the collateral securing such Allowed Other Secured Claim or (iii) treatment of such Allowed Other Secured Claim in any other manner that renders the Claim Unimpaired.	100%
3A	First Lien Term Loan Claims	On the Effective Date, each Holder of First Lien Term Loan Claims shall receive, on account of and in full and final satisfaction, settlement, release and discharge of and in exchange for its Allowed First Lien Term Loan Claims, its Pro Rata share of (i) 96.56% of initial New ARM Holdings Interests, subject to dilution (a) upon exercise of the New First Lien Warrants or New Second Lien Warrants and (b) upon issuance to ARMS or its Designee of up to 7% of the initial New ARM Holdings Interests and the exercise of the New ARM Holdings Warrants, in each case pursuant to the terms of the New Management Services Agreement, (ii) the New First Lien Warrants and (iii) the New First Lien Term Loan. For the avoidance of doubt, each Holder of First Lien Term Loan Claims shall be deemed to have waived any right to any distribution under Class 4 in respect of its First Lien Term Loan Claims, including, without limitation, on account of any diminution in value of any collateral securing the First Lien Term Loan Claims or any portion of the First Lien Term Loan Claims that may have been unsecured.	64.6-81.5%
3B	Second Lien Term Loan Claims	On the Effective Date, each Holder of Second Lien Term Loan Claims shall receive, on account of and in full and final satisfaction, settlement, release and discharge of and in exchange for its Allowed Second Lien Term Loan Claims, its Pro Rata share of (i) 3.44% of initial New ARM Holdings Interests, subject to dilution (a) upon exercise of the New First Lien Warrants or New Second Lien Warrants and (b) upon issuance to ARMS or its Designee of up to 7% of the initial New ARM Holdings Interests and the exercise of the New ARM Holdings Warrants, in each case pursuant to the terms of the New Management Services Agreement and (ii) the New Second Lien Warrants. For the avoidance of doubt, each Holder of Second Lien Term Loan Claims shall be deemed to have waived any right to any distribution under Class 4 in respect of its Second Lien Term Loan Claims, including, without limitation, on account of any diminution in value of any collateral securing the Second Lien Term Loan Claims or any portion of the Second Lien Term Loan Claims that may have been unsecured.	3.4-6.8%

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES			
Class	Claim/Interest	Treatment of Claim/Interest	Projected Recovery Under the Plan
4	General Unsecured Claims	The legal, equitable and contractual rights of the Holders of Allowed General Unsecured Claims are unaltered by the Plan (subject to the Allowed amount of such Claims being “statutorily capped” under section 502 of the Bankruptcy Code, as applicable). Each Holder of an Allowed General Unsecured Claim shall receive one of the following treatments: (i) on account of and in full and final satisfaction, settlement, release and discharge of and in exchange for its Allowed General Unsecured Claim (A) Cash in the amount of its Allowed General Unsecured Claim (1) on the Effective Date or as soon thereafter as is reasonably practicable (to the extent not previously paid as authorized by the Bankruptcy Court during the Chapter 11 Cases) or (2) on the date that such Allowed General Unsecured Claim becomes due and owing in the ordinary course of the Debtors’ business, if after the Effective Date or (B) such other less favorable treatment as may be agreed upon by the Holder thereof, the applicable Debtor(s) and the Required Consenting Lenders, (ii) such other treatment as may be required to allow such Allowed General Unsecured Claim to be paid in the ordinary course of business after the Effective Date of the Chapter 11 Cases or (iii) treatment of such Allowed General Unsecured Claim in any other manner that renders the Claim Unimpaired.	100%
5A	Equity Interests in ARM Holdings	On the Effective Date, all Interests in ARM Holdings outstanding as of the Effective Date shall be cancelled and shall be of no further force and effect, whether surrendered for cancellation or otherwise and ARO, as the sole member of ARM Holdings shall receive no distribution on account of its Interest in ARM Holdings.	0%
5B	Equity Interests in ARM	On the Effective Date, (x) all Interests in ARM outstanding as of the Effective Date shall be cancelled and shall be of no further force and effect, whether surrendered for cancellation or otherwise and (y) ARM Holdings, as the sole member of ARM, shall receive 100% of the outstanding New ARM Interests. For the avoidance of doubt, on the Effective Date, Reorganized ARM Holdings shall own 100% of Reorganized ARM.	100%
5C	Equity Interests in ARM Minerals	On the Effective Date, (x) all Interests in ARM Minerals outstanding as of the Effective Date shall be cancelled and shall be of no further force and effect, whether surrendered for cancellation or otherwise and (y) ARM, as the sole member of ARM Minerals, shall receive 100% of the outstanding New ARM Minerals Interests. For the avoidance of doubt, on the Effective Date, Reorganized ARM shall own 100% of Reorganized ARM Minerals.	100%

Hearing on the Adequacy of the Disclosure Statement, Confirmation of the Plan and the Assumption of Executory Contracts and Unexpired Leases and Proposed Cure Costs

PLEASE TAKE FURTHER NOTICE that the hearing to consider the adequacy of the Disclosure Statement, confirmation of the Plan, the assumption of Executory Contracts

and Unexpired Leases and the proposed Cure Costs, any objections related thereto and any other matter that may properly come before the Court shall be held before the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge, 6th Floor, Courtroom #2 of the United States Bankruptcy Court, 824 North Market Street, Wilmington, Delaware, 19801, on **March 21, 2018 at 2:00 p.m. (Eastern Time)** (the “Combined Hearing”). The Combined Hearing may be adjourned from time to time without further notice other than an announcement of the adjourned date or dates in open court or at the Combined Hearing and which notice will be available on the electronic case filing docket.

PLEASE TAKE FURTHER NOTICE that any objections to the Disclosure Statement and/or the Plan (each a “Plan Objection”) and any objections to the proposed treatment of Executory Contracts or Unexpired Leases, including the amount of any Cure payment (each a “Contract Objection”) must: (i) be in writing; (ii) comply with the Bankruptcy Rules and the Local Rules; (iii) state the name and address of the objecting party and the amount and nature of the Claim or Interest beneficially owned by such entity and (iv) state with particularity the legal and factual basis for such objections, and, if practicable, a proposed modification to the Plan that would resolve such objection.

PLEASE TAKE FURTHER NOTICE that Plan Objections and Contract Objections must be filed with the Clerk of the Bankruptcy Court at 824 North Market Street, 3rd Floor, Wilmington, Delaware, 19801 and served so as to be **actually received** no later than **4:00 p.m. (Eastern Time) on March 14, 2018** upon the following: (i) the Debtors at: c/o Ascent Resources Marcellus Holdings, LLC, P.O. Box 13678, Oklahoma City, OK 73113 (Attn: Robert W. Kelly II, legalnotices@ascentresources.com); (ii) the proposed counsel to the Debtors, (a) Sullivan & Cromwell LLP, 125 Broad St., New York, New York 10004 (Attn: Alexa J. Kranzley, kranzleya@sullcrom.com) and (b) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801 (Attn: Pauline K. Morgan, Esq., pmorgan@ycst.com, and Joel A. Waite, Esq., jwaite@ycst.com); (iii) counsel to the First Lien Term Loan Agent at: Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017 (Attn: Damian S. Schaible, damian.schaible@davispolk.com) and Shaw Fishman Glantz & Towbin LLC, 300 Delaware Ave., Suite 1370, Wilmington, Delaware 19801 (Attn: Thomas M. Horan, thoran@shawfishman.com); (iv) counsel to the Second Lien Term Loan Agent at: Cortland Capital Market Services LLC, 225 West Washington Street, 21st Floor, Chicago, Illinois 60606 (Attn: Legal, legal@cortlandglobal.com) and (v) the office of the United States Trustee for the District of Delaware, Caleb Boggs Federal Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801 (Attn: Juliet M. Sarkessian, juliet.m.sarkessian@usdoj.gov), with proof of service filed with the Court in accordance with the Local Rules of the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE THAT UNLESS AN OBJECTION OR A CONTRACT OBJECTION IS TIMELY SERVED AND FILED IN ACCORDANCE WITH THIS NOTICE AND IN ACCORDANCE WITH THE REQUIREMENTS SET FORTH HEREIN, IT MAY NOT BE CONSIDERED BY THE COURT.

PLEASE TAKE FURTHER NOTICE THAT YOU ARE ADVISED TO CAREFULLY REVIEW AND CONSIDER THE PLAN, INCLUDING THE DISCHARGE,

RELEASE, EXCULPATION AND INJUNCTION PROVISIONS IN SECTION 10 OF THE PLAN, AS YOUR RIGHTS MIGHT BE AFFECTED.

NOTICE REGARDING CERTAIN RELEASE, EXCULPATION AND INJUNCTION PROVISIONS IN THE PLAN

PLEASE TAKE FURTHER NOTICE THAT THE PLAN CONTAINS CERTAIN RELEASE, EXCULPATION AND INJUNCTION PROVISIONS, INCLUDING BUT NOT LIMITED TO:

To the fullest extent permitted by applicable law, for good and valuable consideration provided by each of the Debtors and their Estates and the Released Parties,³ the adequacy of which is hereby confirmed, as of the Effective Date, each of the Releasing Parties (regardless of whether a Releasing Party⁴ is a Released Party) shall be deemed to have conclusively, absolutely, unconditionally, irrevocably and forever released and acquitted each of the Released Parties and their respective property from any and all Causes of Action arising on or prior to the Effective Date, including any derivative claims asserted or assertable on behalf of a Debtor, whether known or unknown, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, in law, equity, contract, tort or otherwise, by statute, violations of federal or state securities laws or otherwise, including Avoidance Actions, those Causes of Action based on veil piercing or alter-ego theories of liability, contribution, indemnification, joint liability or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Entity, based on or relating to, or in any manner arising from or in connection with, in whole or in part, the Debtors, their Affiliates, the Reorganized Debtors, the Debtors' restructuring, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any claim or interest that is treated in the Plan, the business or contractual arrangements between the

³ "*Released Parties*" means each of: (a) the Debtors; (b) the Reorganized Debtors; (c) the Supporting Creditors (other than a Holder of a Claim or Interest that has elected not to provide the releases under Section 10.8 of the Plan); (d) the Term Loan Agents and (e) with respect to each of the foregoing Entities in clauses (a) through (d), each such Entity's predecessors, successors and assigns, and Affiliates and its and their parents, subsidiaries, managed accounts, funds, and current and former officers, directors, principals, advisors, members, managers, limited partners, general partners, equity holders, controlling persons, employees, agents, representatives, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, advisory board members and other professionals, and each such Person's respective heirs, executors, estates, servants and nominees, in each case solely in their capacity as such.

⁴ "*Releasing Parties*" means each of: (a) the Supporting Creditors who is a Released Party; (b) each Holder of a Claim or Interest other than a Person or Entity that has elected not to provide the releases under Section 10.8 of the Plan; (c) the Term Loan Agents and (d) to the fullest extent permitted by applicable law, with respect to each of the foregoing parties under clauses (a) and (c), each such Entity's predecessors, successors and assigns, and Affiliates and its and their parents, subsidiaries, managed accounts, funds, and current and former officers, directors, principals, advisors, members, managers, limited partners, general partners, equity holders, controlling persons, employees, agents, representatives, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, advisory board members and other professionals, and each such Person's respective heirs, executors, estates, servants and nominees, in each case solely in their capacity as such.

Debtors and any Released Party, the restructuring of claims and interests prior to or during the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan, the Disclosure Statement, the Plan Supplement, the Restructuring Support Agreement, the New Certificates of Formation, the New Operating Agreements, the New ARM Holdings By-Laws, the New ARM Holdings Certificate of Incorporation, the New First Lien Term Loan Documents, the New Management Services Agreement, the New Warrant Agreements, the Purchase Agreement (if applicable), and any related agreements, instruments, term sheets or other documents, any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date.

Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release any obligations of any party or Entity under the Plan or any document, instrument or agreement (including those set forth in the Plan Supplement) executed to implement the Plan, including the right to receive distributions from the Debtors or the Reorganized Debtors on account of an Allowed Claim against or Interest in the Debtors pursuant to the Plan. The foregoing release also shall have no effect on the liability of, or any Cause of Action against, any entity that results from any act or omission that is determined in a Final Order to have constituted fraud, gross negligence, bad faith or willful misconduct.

PLEASE TAKE FURTHER NOTICE SECTION 10 OF THE PLAN CONTAINS CERTAIN RELEASE, EXCULPATION AND INJUNCTION PROVISIONS, INCLUDING THOSE SET FORTH HEREIN. YOU ARE ADVISED AND ENCOURAGED TO CAREFULLY REVIEW AND CONSIDER THE PLAN, INCLUDING THE RELEASE, EXCULPATION AND INJUNCTION PROVISIONS SET FORTH IN SECTION 10 OF THE PLAN, AS YOUR RIGHTS MIGHT BE AFFECTED. HOLDERS OF GENERAL UNSECURED CLAIMS WHO ARE UNIMPAIRED UNDER THE PLAN AND DO NOT TIMELY OBJECT TO THE RELEASES SET FORTH IN THE PLAN WILL BE DEEMED TO HAVE PROVIDED SUCH RELEASES.

Assumption of Executory Contracts and Unexpired Leases and Payment of Cure Costs

PLEASE TAKE FURTHER NOTICE that pursuant to the Plan, Executory Contracts and Unexpired Leases not previously assumed or rejected pursuant to an order of the Bankruptcy Court or identified on the Rejected Executory Contract and Unexpired Lease List will be deemed assumed as of the Effective Date. The Rejected Executory Contract and Unexpired Lease List shall be filed with the Court at least 21 days before the Combined Hearing. On the same date, the Debtors shall serve Cure Notices of non-Debtor counterparties to Executory Contracts and Unexpired Leases proposed to be assumed. Notwithstanding anything to the contrary in the Plan, the Debtors or Reorganized Debtors, as applicable, reserve the right to alter, amend, modify or supplement the Executory Contracts and Unexpired Leases identified on the Rejected Executory Contract and Unexpired Lease List in their discretion, prior to the Effective Date on no less than ten Business Days' notice to the non-Debtor Entity party.

The Debtors shall identify the proposed Cure Cost for each such Executory Contract and Unexpired Lease in the Cure Notice. Entry of the Confirmation Order by the Bankruptcy Court shall constitute an order approving the assumptions of such Executory Contracts and Unexpired Leases as set forth in the Plan.

If you wish to object to the proposed assumption of your Executory Contract or Unexpired Lease or to the proposed Cure Cost associated therewith, you must file an objection no later than 4:00 p.m. (Eastern Time) on March 14, 2018 in accordance with the objection procedures set forth above.

Dated: February 12, 2018
Wilmington, Delaware

YOUNG CONAWAY STARGATT &
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*Proposed Co-Counsel to the Debtors and
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