

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

In re

TETON ENERGY CORPORATION, *et al.*,¹

Debtors.

Chapter 11

Case No. 09-13946 (PJW)

Jointly Administered

NOTICE OF AUCTION RESULT AND SUCCESSFUL BIDDER

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On November 24, 2009, the Court entered the Order (i) Approving Bidding Procedures for the Transfer of Substantially of the Debtors' Assets through a Chapter 11 Plan of Reorganization, (ii) Approving Certain Bidding Protections, and (iii) Scheduling an Auction (D.I. 108) (the "Bidding Procedures Order"), approving, among other things, certain bidding procedures (the "Bidding Procedures") for the transfer of substantially all of the assets of the above-captioned debtors and debtors in possession (the "Debtors").

2. Pursuant to the Bidding Procedures Order and the Bidding Procedures, the Debtors held an auction (the "Auction") on December 15, 2009, to determine the highest and best bid for the transfer of substantially all of the Debtors' assets through a chapter 11 plan of reorganization.

3. At the Auction, the Debtors, in consultation with the Prepetition Agent, the DIP Agent and the Indenture Trustee, declared the bid of Caerus Oil and Gas LLC ("Caerus") as the highest and best bid and Caerus as the Successful Bidder (as that term is defined in the Bidding Procedures).

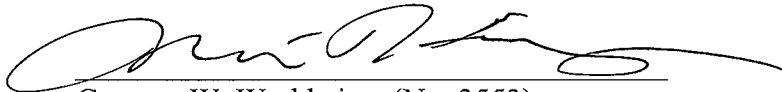
4. Pursuant to the Bidding Procedures Order and the Bidding Procedures, the Debtors and Caerus, as the Successful Bidder, are entering into an amended plan sponsorship agreement and certain related agreements (collectively, the "Amended Plan Sponsorship Agreement") in support of the Debtors' Amended Joint Chapter 11 Plan of Reorganization (as it may be further amended or supplemented, the "Plan"). The Amended Plan Sponsorship Agreement will be filed with the Court as part of the Plan Supplement (as defined in the Plan). Copies of the Amended Plan Sponsorship Agreement, when available, may be downloaded from www.tetonenergyreorganization.com or may be obtained by contacting the Debtors' claims,

¹ The Debtors, along with the last four digits of their federal tax identification numbers, are: Teton Energy Corporation (2290), Teton North America LLC (2290), Teton Piceance LLC (2290), Teton DJ LLC (2290), Teton Williston LLC (2290), Teton Big Horn LLC (2290), Teton DJCO LLC (2290), and Teton ORRI LLC (2290). The Debtors' mailing address for purposes of these cases is 600 17th Street, Suite 1600 North, Denver, Colorado 80202.

noticing and balloting agent, The Garden City Group, Inc., at (888) 404-8013, or by written request to: (a) if by mail, The Garden City Group, Inc., Attn: Teton Energy Corp. Bankruptcy Administration, P.O. Box 9568, Dublin, OH, 43017-4868; or (b) if by hand delivery, courier or overnight service, The Garden City Group, Inc., Attn: Teton Energy Corp. Bankruptcy Administration, 5151 Blazer Parkway, Suite A, Dublin, OH, 43017.

Dated: December 30, 2009
Wilmington, Delaware

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