

**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

Hearing Date: December 4, 2009 at 9:30 a.m. (ET)

Objection Deadline: December 1, 2009 at 4:00 p.m. (ET)

**NOTICE OF (I) DISCLOSURE STATEMENT HEARING AND
(II) OBJECTION DEADLINE [RE: D.I. 15, 16, 17]**

PLEASE TAKE NOTICE:

1. Chapter 11 Filing. On November 8, 2009 (the "Petition Date"), Teton Energy Corporation and its affiliated debtors and debtors-in-possession (collectively, the "Debtors") commenced their respective bankruptcy cases by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). No trustee or examiner has been appointed in these cases. The Debtors are operating their respective businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

2. Filing of Plan, Disclosure Statement and Solicitation Procedures Motion. On November 9, 2009, the Debtors filed, *inter alia*: (i) the *Joint Chapter 11 Plan Of Reorganization* (D.I. 15) (the "Plan"); (ii) the *Disclosure Statement Pursuant To Section 1125 Of The Bankruptcy Code For Debtors' Joint Chapter 11 Plan Of Reorganization* (D.I. 16) (the "Disclosure Statement"); and (iii) *Motion Of The Debtors For The Entry Of An Order (I) Approving Disclosure Statement, (II) Establishing Procedures For Solicitation And Tabulation Of Votes To Accept Or Reject Joint Chapter 11 Plan Of Reorganization, (III) Establishing Voting Record Date, (IV) Scheduling A Hearing On Confirmation Of Joint Plan Of Reorganization, (V) Approving The Form Of Ballots And Solicitation Materials, (VI) Approving Related Notice Procedures, (VII) Approving The Balloting Agent, (VIII) Approving Cure Procedures And (IX) Granting Related Relief* (D.I. 17) (the "Motion").

YOUR RIGHTS MAY BE AFFECTED. YOU SHOULD READ THE PLAN, THE DISCLOSURE STATEMENT AND THE MOTION CAREFULLY AND DISCUSS THESE DOCUMENTS WITH YOUR ATTORNEY, IF YOU HAVE ONE IN THIS BANKRUPTCY CASE. IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO CONSULT ONE.

3. Hearing. On **December 4, 2009, at 9:30 a.m. (ET)**, the Honorable Peter J. Walsh, United States Bankruptcy Judge, will conduct a hearing (the "Hearing") to consider approval of (a) the Disclosure Statement for use in soliciting votes to accept the Plan and (ii) the Motion, including the solicitation, noticing and tabulation procedures proposed by the Debtors in the Solicitation Procedures Motion, at the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 6th Floor, Courtroom No. 2, Wilmington, Delaware 19801. The Hearing may be adjourned from time to time without further notice to creditors, equity interest holders or other parties-in-interest other than by an announcement in the Bankruptcy Court of such adjournment on the date scheduled for the Hearing or in the agenda filed with respect to the scheduled Hearing.

4. Objection Deadline and Procedures. Objections or proposed modifications to the Disclosure Statement or the relief requested in the Motion, if any, must: (a) be in writing, (b) comply with the Federal Rules of Bankruptcy Procedure and the Local Rules of Practice and Procedure for the United States Bankruptcy Court for the District of Delaware, (c) set forth the name of the objecting party and the nature and amount of any claim or equity interest against the Debtors' estates or properties alleged by such objecting party, (d) state with particularity the legal and factual basis for such objections, and include, where appropriate, suggested language to amend the Disclosure Statement in a manner that would resolve such objection, and (e) be filed with the Clerk of the Bankruptcy Court, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801 on or before **December 1, 2009, at 4:00 p.m. (ET)** (the "Objection Deadline"), and served so as to be received on or before the Objection Deadline by: (i) the Debtors: Teton Energy Corporation, 600 17th Street, Suite 1600 North, Denver, CO 80202, (Attn: Jonathan Bloomfield); (ii)

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.

proposed counsel to the Debtors: Gersten Savage, LLP, 600 Lexington Avenue, 9th Floor, New York, NY 10022 (Attn: Paul Rachmuth) and Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, P.O. Box 1347, Wilmington, DE 19899-1347 (Attn: Gregory W. Werkheiser, Esq. and Matthew B. Harvey, Esq.); (iii) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801 (Attn: Joseph McMahon, Esq.); (iv) counsel for the Prepetition Agent: Vinson & Elkins LLP, 2001 Ross Avenue, Suite 3700, Dallas, TX 75201 (Attn: William L. Wallander, Esq.) and Bifferato LLP, 800 N. King Street, Wilmington, DE 19801 (Attn: Ian Connor Bifferato, Esq.); (v) counsel for Rise Energy Partners II, LLC: Haynes & Boone LLP, 2323 Victory Avenue, Suite 700, Dallas, TX 75219-7673 (Attn: Robert D. Albergotti, Esq.) and Womble Carlyle Sandridge & Rice, PLLC, 222 Delaware Avenue, Wilmington, DE 19801 (Attn: Steven K. Kortanek, Esq.); and (vi) counsel for any statutory committee appointed in these cases.

5. Copies of Documents. Copies of the Plan, the Disclosure Statement, the Motion and other documents filed in these cases may be inspected in the offices of the Clerk of the Bankruptcy Court during normal business hours or downloaded from the Bankruptcy Court's web site at www.deb.uscourts.gov. Please note that prior registration with the PACER Service Center and payment of a fee may be required to access such documents. Parties in interest may sign up for a PACER account by visiting the PACER website at <http://pacer.psc.uscourts.gov> or by calling (800) 676-6856. Requests for copies of the Plan, the Disclosure Statement and the Motion and further information regarding the Hearing may also be made to the undersigned proposed counsel to the Debtors. Additionally, copies of the Plan, the Disclosure Statement the Motion and other documents filed in these cases will be available for free download from the website of the Debtors' claims, noticing and balloting agent, The Garden City Group, Inc., at www.tetonenergyreorganization.com. Requests for copies of the Plan, the Disclosure Statement and the Motion and further information regarding the Hearing may also be made to the undersigned proposed counsel to the Debtors.

6. Not a Solicitation. This Notice is not a solicitation of votes to accept or reject the Plan. Votes on the Plan may not be solicited unless and until the Disclosure Statement is approved by an order of the Bankruptcy Court. Upon approval of the Disclosure Statement by the Bankruptcy Court, holders of claims against and equity interests in the Debtors who are entitled to vote on the Plan will receive a copy of the Disclosure Statement, the Plan and various documents related thereto, unless otherwise ordered by the Bankruptcy Court.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED BY THE MOTION AND APPROVE THE DISCLOSURE STATEMENT WITHOUT FURTHER NOTICE OR HEARING.

Dated: November 12, 2009
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

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*Proposed Counsel to Debtors
and Debtors In Possession*