

**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 (I) DEADLINE FOR CASTING VOTES TO ACCEPT OR REJECT THE DEBTORS'
AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION, (II) THE HEARING TO
CONSIDER CONFIRMATION OF THE DEBTORS' AMENDED JOINT PLAN OF
REORGANIZATION AND (III) CERTAIN RELATED MATTERS**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On December 4, 2009, the above-captioned debtors and debtors in possession (collectively, the "Debtors") filed the Debtors' Amended Joint Chapter 11 Plan of Reorganization (as it may be amended, the "Plan"), and a related disclosure statement (as it may be amended, the "Disclosure Statement") under section 1125 of the Bankruptcy Code.

2. Pursuant to an Order dated December 9, 2009 (the "Disclosure Statement and Voting Procedures Order"), the Bankruptcy Court approved the Disclosure Statement as containing "adequate information" within the meaning of section 1125 of the Bankruptcy Code.

3. A hearing to consider the confirmation of the Plan (the "Confirmation Hearing") will be held before the Honorable Peter J. Walsh, United States Bankruptcy Judge, United States Bankruptcy Court, District of Delaware, 824 North Market Street, Sixth Floor, Courtroom No. 2, Wilmington, Delaware 19801, on **January 8, 2010, at 9:30 a.m.**, prevailing Eastern Time.

4. Pursuant to the Disclosure Statement and Voting Procedures Order, the Bankruptcy Court approved the use of certain materials in the solicitation of votes to accept or reject the Plan and certain procedures for the tabulation of votes to accept or reject the Plan. If you are a holder of a Claim against any of the Debtors as of December 4, 2009 (the "Record Date"), in a Class entitled to vote on the Plan, you have received with this Notice a ballot form (a "Ballot") and instructions for completing the Ballot. The following procedures apply with respect to voting your Claim or Interest:

- (a) For your vote to accept or reject the Plan to be counted, you must complete all required information on the Ballot, execute the Ballot and return the completed Ballot to The Garden City Group, Inc. (the "Balloting Agent"), in the enclosed return envelope, at the address indicated on the Ballot so that it is received by **4:00 p.m., prevailing Eastern Time, on January 4, 2010** (the "Voting Deadline"). Any failure to follow the instructions included with the Ballot or to return a properly completed Ballot so that it is received by the Voting Deadline may disqualify your Ballot and your vote on the Plan.
- (b) Your Claim or Interest has been temporarily allowed solely for purposes of voting to accept or reject the Plan in accordance with the following Tabulation Rules approved by the Bankruptcy Court pursuant to the Voting Procedures Order:
 - 1) If a Claim is scheduled on the Debtors' Schedules of Assets and Liabilities (the "Schedules") in an amount greater than \$0.00 and not listed as "disputed," "contingent," or "unliquidated" in the Schedules, such Claim will be temporarily allowed for voting purposes in the amount set forth in the Schedules.
 - 2) If a proof of claim has been filed on account of such Claim before the Record Date (as defined below), such Claim will be temporarily allowed for voting purposes in the noncontingent, liquidated and undisputed amount set forth in the proof of claim.

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.

- 3) If a proof of claim is filed during the period commencing on the Record Date through and including December 28, 2009 at 4:00 p.m. (prevailing Eastern Time) (a "Post-Record Date Filed Claim") and such Claimant wants such Claim to be temporarily allowed for voting purposes in the amount set forth in such Post-Record Date Filed Claim, then the person or entity filing such Post-Record Date Filed Claim must (i) serve the Balloting Agent by mail, overnight courier or personal delivery with a written request for a provisional ballot (a "Provisional Ballot") so that such request is received no later than December 28, 2009 at 4:00 p.m. (prevailing Eastern Time) and (ii) timely file and serve a Rule 3018 Motion (as defined below) in the manner prescribed by the Disclosure Statement and Voting Procedures Order. No Provisional Ballot will be allowed unless a Rule 3018 Motion is timely filed and served, and granted by the Court.
 - 4) If a Claim is deemed allowed under the Plan, such Claim will be temporarily allowed for voting purposes in the amount set forth therein.
 - 5) If a Claim is listed on the Schedules, or a proof of claim filed before the Record Date is identified on its face, as contingent, unliquidated or disputed, either in whole or in part, only the noncontingent, liquidated and undisputed portion, if any, of such Claim will be deemed temporarily allowed for voting purposes, subject to the other Tabulation Rules, and the remaining portion of such Claim will be disallowed for voting purposes.
 - 6) If a Claim has been allowed pursuant to a stipulation approved by the Court, such Claim will be deemed allowed for voting purposes in the amount set forth in such stipulation.
 - 7) If a Claim has been estimated or otherwise allowed for voting purposes by order of the Court, such Claim will be temporarily allowed for voting purposes in the amount so estimated or allowed by the Court.
 - 8) If on or before December 28, 2009, the Debtors have filed and served an objection to or motion to disallow or reclassify a Claim, or to allow or estimate the Claim in an amount different from the amount asserted in the Claim, such Claim will be temporarily allowed for voting purposes in the lesser amount and classification requested by such objection or motion.
 - 9) If a holder of a Claim identifies a Claim amount in its Ballot that is less than the amount otherwise calculated in accordance with the Tabulation Rules, the Claim will be temporarily allowed for voting purposes in the lesser amount identified on such Ballot.
 - 10) Creditors will not be entitled to vote Claims to the extent such Claims duplicate or have been superseded by other Claims filed by or on behalf of such creditors. The Balloting Agent will determine whether a Claim is duplicative or superseded in the Balloting Agent's discretion.
 - 11) A party shall not be entitled to a vote on the Plan based upon a guarantee or other theory of payment. There shall be allowed only one vote per Claim regardless of how many Debtors may be subject to legal liability.
- (c) The following additional procedures have also been approved by the Court to be utilized in tabulating the Ballots with respect to Ballots submitted by a holder of a Claim or Interest:
- 1) Except to the extent the Debtors otherwise determine, or as permitted by the Court, any Ballots received after the Voting Deadline will not be accepted or counted by the Debtors in connection with the Debtors' request for confirmation of the Plan.
 - 2) Any Ballot which is otherwise properly completed, executed and timely returned that does not indicate an acceptance or rejection of the Plan shall be deemed to be a vote to accept the Plan, and unless otherwise elected on the Ballot, an acceptance of the releases contained within the Plan and the default treatment of such Claim as set out on the Ballot.
 - 3) Any Ballot which is returned indicating acceptance or rejection of the Plan, but which is unsigned, shall not be counted.
 - 4) Whenever a Claimholder casts more than one Ballot voting the same Claim or Interest prior to the Voting Deadline, only the last timely Ballot received will be deemed to reflect the voter's intent and will thus supersede any prior Ballots.
 - 5) If a Claimholder casts simultaneous duplicative Ballots which are voted inconsistently, such Ballots shall count as one vote accepting the Plan and the releases contained therein.

- 6) Each Claimholder shall be deemed to have voted the full amount of its Claim or Interest as set forth on the Ballot.
- 7) Claimholders shall not split their vote within a Claim, thus each Claimholder shall vote all of its Claim within a particular class either to accept or reject the Plan.
- 8) Ballots partially rejecting and partially accepting the Plan shall not be counted.
- 9) The method of delivery of Ballots to the Balloting Agent is at the risk of each Claimholder, and such delivery will be deemed made only when the original Ballot is actually received by the Balloting Agent.
- 10) No Ballot should be sent to the Debtors, agents of the Debtors (other than the Balloting Agent) or the Debtors' financial or legal advisors.
- 11) The Debtors expressly reserve the right to amend the terms of the Plan (subject to compliance with section 1127 of the Bankruptcy Code). If the Debtors make material changes in the terms of the Plan, the Debtors will disseminate additional solicitation materials and extend the solicitation period, in each case to the extent required by law or further order of the Court.
- 12) If a Ballot is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or other person acting in a fiduciary or representative capacity on behalf of a Claimholder, such person shall be required to indicate such capacity when signing and, at the Balloting Agent's discretion, must submit proper evidence satisfactory to the Balloting Agent to so act on behalf of the Claimholder.
- 13) The Debtors, in their sole discretion, subject to contrary order of the Court, may waive any defect in any Ballot at any time, either before or after the close of voting, and without notice. Unless the Ballot being furnished is timely submitted on or prior to the Voting Deadline, the Debtors may, in their sole discretion, reject such Ballot as invalid and, therefore, not count it in connection with confirmation of the Plan.
- 14) In the event a designation is requested under section 1126(e) of the Bankruptcy Code, any vote to accept or reject the Plan cast with respect to such Claim will not be counted for purposes of determining whether the Plan has been accepted or rejected, unless the Court orders otherwise.
- 15) Any Claimholder who has delivered a valid Ballot voting on the Plan may withdraw such vote solely in accordance with Bankruptcy Rule 3018(a).
- 16) Subject to any contrary order of the Court, the Debtors reserve the absolute right to reject any and all Ballots not proper in form, the acceptance of which would, in the opinion of the Debtors or their counsel, not be in accordance with the provisions of the Bankruptcy Code or the Disclosure Statement Order.
- 17) Subject to any contrary order of the Court, the Debtors further reserve the right to waive any defects or irregularities or conditions of delivery as to any particular Ballot unless otherwise directed by the Court.
- 18) Unless waived or as ordered by the Court, any defects or irregularities in connection with deliveries of Ballots must be cured within such time as the Debtors (or the Court) determines, and unless otherwise ordered by the Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived.
- 19) Neither the Debtors, nor any other person or entity, will be under any duty to provide notification of defects or irregularities with respect to deliveries of Ballots nor will any of them incur any liabilities for failure to provide such notification. Unless otherwise directed by the Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots previously furnished (and as to which any irregularities have theretofore not been cured or waived) will not be counted.
- 20) Any Ballot received by telecopier, facsimile or other electronic communication shall not be counted.
- 21) For purposes of determining whether the numerosity and amount requirements of section 1126(c) of the Bankruptcy Code have been satisfied, the Balloting Agent will tabulate only those Ballots received prior to the Voting Deadline.

- (d) The allowance or disallowance of your Claim for voting purposes does not constitute an allowance or disallowance of your Claim for purposes of receiving distributions under the Plan and is without prejudice to the rights of the Debtors in any other context, including the right of the Debtors to contest the amount or validity of any Claim for purposes of allowance and distribution under the Plan. If you wish (a) to challenge the allowance or disallowance of your Claim for voting purposes under the Tabulation Rules or (b) seek to have a Provisional Ballot counted for voting purposes, you must file a motion (a "Rule 3018 Motion"), pursuant to Bankruptcy Rule 3018(a), for an order temporarily allowing your Claim in a different amount or classification for purposes of voting to accept or reject the Plan and serve such motion on the undersigned counsel to the Debtors so that it is received no later than **4:00 p.m., prevailing Eastern Time, on January 4, 2010**. The Debtors shall have until January 7, 2010 to file and serve any responses to such motions. Unless the Court orders otherwise, your Claim will not be counted for voting purposes in excess of the amount determined in accordance with the Tabulation Rules.

5. Objections, if any, to confirmation of the Plan must: (a) be in writing; (b) state the name and address of the objecting party and the nature of the Claim or Interest of such party; (c) state with particularity the basis and nature of any objections to confirmation of the Plan; and (d) be filed with the Court explaining your position by mailing your response by regular U.S. Mail to Clerk of Court, the United States Bankruptcy Court, District of Delaware, 824 North Market Street, Wilmington, Delaware 19801 or your attorney must file a response using the Court's ECF System. Objections must be filed per the above-described procedures by no later than 4:00 p.m., prevailing Eastern Time, on January 4, 2010 (the "Confirmation Objection Deadline").

6. Additionally, any Objections must be served so as to be received by the Confirmation Objection Deadline by the following: (i) the Debtors, Teton Energy Corporation, 600 17th Street, Suite 1600 North, Denver, CO 80202 (Attn: Jonathan Bloomfield); (ii) co-counsel for the Debtors, Gersten Savage, LLP, 600 Lexington Avenue, 9th Floor (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 and Matthew B. Harvey); (iii) co-counsel for the Prepetition Agent, Vinson & Elkins LLP, 2001 Ross Avenue, Suite 3700, Dallas, TX 75201 (Attn: William L. Wallander), and Bifferato - Attorneys at Law, 800 N. King Street, P.O. Box 2165, Wilmington, DE 19899-2165 (Attn: Ian Connor Bifferato); (iv) co-counsel for Rise Energy Partners II, LLC, Haynes & Boone LLP, 2323 Victory Avenue, Suite 700, Dallas, TX 75219-7673 (Attn: Robert D. Albergotti), and Womble Carlyle Sandridge & Rice, PLLC, 222 Delaware Avenue, Wilmington, DE 19801 (Attn: Steven K. Kortanek); (v) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, DE 19801; and (vi) counsel to the The Bank Of New York Mellon Trust Company, N.A., As Indenture Trustee For The 10.75% Secured Subordinated Convertible Debentures Due June 18, 2013, Thompson & Knight LLP, 919 Third Avenue, 39th Floor, New York, New York 10022 (Attn: Ira Herman).

7. If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought and may enter an order confirming the Plan.

8. Copies of the Plan and the Disclosure Statement are available for review without charge from the website maintained by the Debtors' Balloting Agent in these cases at www.tetonenergyreorganization.com or by written request to the Balloting Agent at the following addresses:

If via U.S. mail:

The Garden City Group, Inc.
Attn: Teton Energy Corp. Bankruptcy Administration
P.O. Box 9568
Dublin, OH 43017-4868

If via delivery by hand, 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 9, 2009

**BY ORDER OF THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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