

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

IN RE: § CASE NO. 15-35615
§
RAAM Global Energy Company, § (Chapter 11)
et al. §
§ JOINTLY ADMINISTERED
DEBTORS. §

AFFIDAVIT OF THOMAS B. HENSLEY, JR.
ON BEHALF OF PARKMAN WHALING LLC AND
BANKRUPTCY RULE 2014 DISCLOSURE

STATE OF TEXAS §
§
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared **THOMAS B. HENSLEY, JR.**, who, pursuant to Rule 2014 of the Federal Rules of Bankruptcy Procedure, after being duly sworn, upon his oath deposed and stated as follows:

Responsible Professional

1. “My name is Thomas B. Hensley, Jr. I am more than twenty-one (21) years of age and am competent and authorized to make this Affidavit. I have personal knowledge of the facts set forth herein. The information herein is preliminary only, and to the extent that any information disclosed herein requires amendment or modification upon further analysis or as additional information becomes available, a supplemental affidavit will be submitted to the Court reflecting the same. It is my intention to periodically re-review conflicts as the above-captioned chapter 11 cases (the “Cases”) progress.

2. I have been an investment banker since 1981. Throughout the course of my investment banking career, I have acquired extensive corporate finance experience in public debt and equity offerings, convertible securities, master limited partnerships, royalty trusts, and partnership consolidations. I am experienced in private offerings as well as financial advisory assignments in, among other things, mergers and acquisitions and asset divestitures.

3. I am a member of Parkman Whaling LLC (“Parkman Whaling”), which, subject to the Court’s approval, has been engaged by the Debtors to serve as their financial advisors during the Cases.

4. This Affidavit is submitted in connection with the *Application to Employ Parkman Whaling LLC as Financial Advisors for the Debtors* (the "Application") filed contemporaneously herewith.¹

General Statement

5. Insofar as I have been able to ascertain to the present time after additional due diligence, and except as set forth below, Parkman Whaling:

- a. does not hold or represent any interests adverse to the Debtors' estates, is a "disinterested person" as defined in Bankruptcy Code § 101(14), and is eligible to serve as the Debtors' financial advisors under Bankruptcy Code § 327(a);
- b. is not a creditor, equity security holder, or insider of the Debtors and does not represent any entity (or their attorneys and accountants) other than the Debtors in connection with the Cases;
- c. is not, and was not within the past two years, a director, officer, or employee of the Debtors;
- d. has no interests materially adverse to the interests of the Debtors' estates or of any class of creditors of the Debtors, by reason of any direct or indirect relationship to, connection with, or interests in, the Debtors or for any other reason; and
- e. has no connection, other than as disclosed herein, with the Debtors, their creditors, or any other party in interest (or with their respective attorneys or accountants), or with the United States Trustee or any person employed in the Office of the United States Trustee.

6. Parkman Whaling has not represented the Debtors prior to November 12, 2015.

Search Methods for Potential Conflicts

7. Parkman Whaling reviewed for conflicts the following parties that were known to Parkman Whaling as of the Petition Date: (a) the Debtors' 50 largest unsecured creditors, including without limitation, holders of claims for borrowed money, trade credit, or similar indebtedness (actual, contingent, liquidated, or unliquidated), including claims on account of guarantees, (b) other significant unsecured creditors, including bondholders, lessors, lessees, licensors, licensees, and taxing authorities, (c) secured creditors, including the first and second lienholders, (d) attorneys and accountants for creditors, (e) significant stockholders, and (f) other significant parties in interest.

¹ Capitalized terms not defined herein have the meaning set forth in the Application.

**Parkman Whaling's Connections with Parties in Interest in
Matters Unrelated to the Cases**

8. Parkman Whaling is an energy-focused investment banking and financial advisory firm that represents many individuals and commercial organizations operating in the oil and gas industry. Some of these individuals and organizations are or may consider themselves to be creditors or parties in interest in the Cases. The following lists are the product of searching the Database and are based on the relationship of the indicated entities or their affiliates with the Debtors and Parkman Whaling:

a. Creditors.

(i) Parkman Whaling has previously represented, and may in the future represent, creditors of the Debtors in matters unrelated to the Cases, as follows:

- o Farallon Capital Management, LLC

(ii) Parkman Whaling currently represents, and may in the future represent, creditors of the Debtors in matters unrelated to the Cases, as follows:

- o None

(iii) Parkman Whaling has previously represented, currently represents, and may in the future represent, creditors of the Debtors in matters unrelated to the Cases, as follows:

- o None

b. Attorneys and Accountants. Parkman Whaling has previously represented, currently represents, and may in the future represent attorneys and accountants for the Debtors or for creditors of the Debtors, in matters unrelated to the Cases, as follows:

- o None

9. Parkman Whaling has not, does not, and will not represent any of the aforementioned entities, or any of their respective subsidiaries or affiliates, in matters related to the Debtors or the Cases.

10. Vinson & Elkins LLP ("V&E") is the Debtors' bankruptcy counsel, and Mr. James R. Latimer, III ("Latimer") is the Debtors' Chief Restructuring Officer. In matters unrelated to the Cases, Parkman Whaling has been in the past, currently is, and may be in the future a client of V&E. In addition, in matters unrelated to the Cases, Parkman Whaling has been in the past and may be in the future retained by parties also advised by V&E. In addition, in matters unrelated to the Cases, Parkman Whaling has been in the past and may be in the future retained by clients with interests adverse to parties advised by V&E. Similarly, in matters unrelated to the Cases, Parkman Whaling has in the past and may in the future have a client relationship with entities for which Latimer previously has served or will serve as a Director.

11. Mr. Steven J. Pully (“Pully”) is a financial advisor to the Ad Hoc Committee of Bondholders in the Cases. In matters unrelated to the Cases, Parkman Whaling has in the past and may in the future compensate Pully for consulting services rendered to Parkman Whaling in connection with certain Parkman Whaling client matters. In matters unrelated to the Cases, Parkman Whaling has in the past, currently has, and may in the future have a client relationship with entities for which Pully formerly served or currently serves as a Director.

12. In addition to the foregoing, I have ascertained no connection (as prescribed by Bankruptcy Rule 2014(a)) between Parkman Whaling and the United States Trustee or any person employed by the Office of the United States Trustee.

The Engagement Letter

13. The Engagement Letter provides that the Debtors shall compensate Parkman Whaling, subject to the Court’s approval, as follows:

- a. A monthly fee of \$100,000 payable on the first day of December 2015, and the first day of the three months thereafter for a total of four monthly payments of \$100,000 each; provided that if any such monthly fees are due prior to the approval of the Engagement Letter by the Court, any such monthly fees shall be paid only after the Engagement Letter has been approved by the Court; and
- b. A transaction fee (the “Transaction Fee”)² paid at closing of the Transaction and equal to \$350,000 plus one and a half percent (1.5%) of the amount by which the Transaction Value³ exceeds the aggregate of the First Lien Prepetition Indebtedness (as defined in the Final Cash Collateral

² No Transaction Fee shall be due after termination of the Engagement Letter; provided, however, in the event the Debtors enter into a letter of intent or definitive agreement before termination of the Engagement Letter, or within twelve (12) months after termination of the Engagement Letter, any of which leads to closing a Transaction, the Transaction Fee will be earned and paid, subject to the Court’s approval, at the closing of the Transaction.

³ The term “Transaction Value” means the gross value of all cash, securities (including options) and other property paid directly or indirectly to the Debtors or their equity owners (or for the value of the assets contributed by the Debtors in the case of a property trade or joint venture) in connection with a Transaction. In addition, if any of the Debtors’ liabilities are assumed, decreased, or paid off in connection with a Transaction, the Transaction Value will be increased to reflect the face amount of such liabilities. The value of any such securities (whether debt or equity) or other property shall be determined as follows: (i) the value of securities that are freely tradable in an established public market will be determined on the basis of the average closing price of such securities for the five trading days ending two business days prior to the closing of a Transaction; and (ii) the value of securities that are not freely tradable or have no established public market, and the portion of the Transaction Value that consists of other property, shall be the fair market value thereof at closing. Components of consideration that are payable over time shall be included in the Transaction Value on a present value basis discounted at 10% per annum for such future payments. The Debtors and Parkman Whaling shall endeavor to reach agreement on the risked value at closing of components of consideration that have a contingent aspect so that such components can be included in the Transaction Value. Notwithstanding anything in this Affidavit, the Application, or the Engagement Letter to the contrary, the Transaction Value shall exclude all cash, securities (including options) and other property paid directly or indirectly to the Debtors, and any liabilities assumed, decreased or paid off, in a Building Only Transaction.

Order),⁴ \$2.5 million, and any and all Cure Costs (as defined in the APA);⁵ provided, however, that (a) any Transaction Fee shall only be paid after the closing of a Transaction (other than the APA) and the payment in full in cash of the First Lien Prepetition Indebtedness or (b) in the event that the APA is consummated with Highbridge, Parkman Whaling shall be entitled only to \$350,000 upon the closing of such Transaction.⁶

14. The Debtors have also agreed, subject to the Court's approval, to indemnify Parkman Whaling, pursuant to a separate letter agreement attached to the Engagement Letter.

15. Parkman Whaling has no agreement with any entity to share compensation received by Parkman Whaling or by such entity."

⁴ "Final Cash Collateral Order" means the *Final Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363 and 507, Bankruptcy Rules 2002, 4001 and 9014 and Local Bankruptcy Rule 4001-2 (I) Authorizing Debtors' Limited Use of Cash Collateral, (II) Granting Adequate Protection to the Prepetition Secured Parties, and (II) Modifying the Automatic Stay* [Docket No. ____] entered November ____, 2015.

⁵ "APA" means that certain *Asset Purchase and Sale Agreement* dated as of November 6, 2015, by and among Highbridge and certain of its affiliates and the Debtors.

⁶ In the event there is more than one Transaction for which letters of intent to purchase or definitive agreements to purchase are signed, the Transaction Fee shall be calculated based upon the aggregate Transaction Value. (For example, if two transactions valued at \$35,000,000 each are signed, the Transaction Fee shall be \$443,000 calculated as \$350,000 plus 1.5% of the excess over the aggregate of the First Lien Prepetition Indebtedness (as defined in the Final Cash Collateral Order), \$2.5 million, and any and all Cure Costs (as defined in the APA). Likewise, if the combined Transactions are valued, in the aggregate, at less than the aggregate of the First Lien Prepetition Indebtedness (as defined in the Final Cash Collateral Order), \$2.5 million, and any and all Cure Costs (as defined in the APA), the Transaction Fee shall be \$350,000).

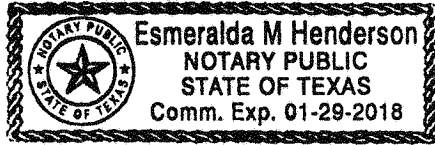
FURTHER AFFIANT SAYETH NOT.

Signed: November 13, 2015.

/s/ Thomas B Hensley Jr
Thomas B. Hensley, Jr.

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was SUBSCRIBED AND SWORN TO before me on November 13 2015.



Esmeralda M Henderson
Notary Public - State of Texas

My Commission Expires:
01/29/2018

Esmeralda M Henderson
Printed Name of Notary Public