

Exhibit 1

Second Amended and Restated Stipulation

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	x	
	:	
	:	Chapter 11
RAAM GLOBAL ENERGY	:	
COMPANY, <i>et al.</i> , ¹	:	Case No. 15-35615 (MI)
	:	
Debtors.	x	(Jointly Administered)

SECOND AMENDED AND RESTATED STIPULATION

This second amended and restated stipulation (this “**Stipulation**”) is made and entered into as of December 21, 2015 (the “**Stipulation Effective Date**”), by and among the following parties: the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”); Highbridge Principal Strategies, LLC, on behalf of the lender parties under the First Lien Credit Agreement (“**Highbridge**”); the Official Committee of Unsecured Creditors (the “**Committee**”); Ace Insurance Company and its Affiliates (collectively, “**Ace**”), and that group of certain Senior Secured Noteholders represented by Latham & Watkins LLP (the “**Ad Hoc Group**”). The Debtors, Highbridge, the Committee, Ace, and the Ad Hoc Group are each referred to herein as a “**Party**” and are collectively referred to herein as the “**Parties.**”

Recitals

WHEREAS, on October 26, 2015 (the “**Petition Date**”) RAAM Global Energy Company, and certain of its affiliates commenced chapter 11 cases in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “**Court**”), by filing

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are RAAM Global Energy Company [2973], Century Exploration New Orleans, LLC [4948], Century Exploration Houston, LLC [9624], and Century Exploration Resources, LLC [7252]. Capitalized terms used but not otherwise defined in this Second Amended Stipulation have the meanings given to them in the Plan (as defined below).

voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”), which chapter 11 cases are being jointly administered and are captioned *In re RAAM Global Energy Company, et al.*, Case No. 15-35615 (MI) (the “**Chapter 11 Cases**”);

WHEREAS, on the Petition Date, the Debtors filed the *Emergency Motion for Approval of Interim and Final Use of Cash Collateral and Granting Adequate Protection* [Docket No. 11] (the “**Cash Collateral Motion**”);

WHEREAS, the Debtors and Ace entered into the Ace Bonding Agreement to fund certain of the Debtors’ plugging and abandonment (“**P&A**”) obligations;

WHEREAS, an escrow account created pursuant to and for the benefit of the Ace Bonding Agreement (the “**Escrow Agreement**”) held approximately \$9.9 million as of the Petition Date;

WHEREAS, on November 6, 2015, the Debtors filed a motion seeking authority to sell to Highbridge substantially all of the Debtors’ assets pursuant to sections 363 and 365 of the Bankruptcy Code pursuant to an asset purchase agreement [Docket No. 90] (such motion, the “**Sale Motion**,” and such agreement, the “**Purchase Agreement**”) whereby Highbridge will purchase substantially all of the Debtors’ assets (the “**Sale**” and any cash proceeds from the Sale, the “**Sale Proceeds**”);

WHEREAS, on November 23, 2015, the Debtors filed the *Expedited Motion for Order Authorizing (A) the Debtors to Deliver Checks to their Intended Recipients, (B) the Debtors and Ace to Enter Into Contracts with Vendors to Perform Plugging and Abandonment Work in the Ordinary Course, and (C) the Utilization of Funds in the Escrow Account to Pay for Such Work in the Ordinary Course* [Docket No. 148] (the “**Ace Motion**”);

WHEREAS, on November 24, 2015, the Committee filed an objection to the Cash Collateral Motion [Docket No. 152];

WHEREAS, on November 24, 2015, the Debtors filed the *Debtors' Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 154];

WHEREAS, on November 24, 2015, the Debtors filed the *Disclosure Statement for the Debtors' Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 155] (the “**Disclosure Statement**”);

WHEREAS, on November 25, 2015, the Debtors filed the *Debtors' Expedited Motion to (I) Approve Disclosure Statement and the Form and Manner of Service Related Thereto; (II) Set Dates for the Objection Deadline and Hearing Relating to Confirmation of the Plan; and (III) Authorize Related Relief* [Docket No. 157];

WHEREAS, on November 27, 2015, the Debtors filed the *Notice of Filing of Stipulation as the Proposed Exhibit to Proposed Order Authorizing and Approving (A) Stalking Horse Purchase Agreement, (B) Bidding Procedures, (C) Procedures for Determining Cure Amounts for Executory Contracts and Unexpired Leases, and (D) Related Relief* [Docket No. 160] (the “**Original Stipulation**”);

WHEREAS, on December 1, 2015, the Debtors, Highbridge, the Committee, and Ace entered into an amended Stipulation (the “**First Amended Stipulation**”);

WHEREAS, on December 1, 2015, the Ad Hoc Group filed the *Objection of Ad Hoc Group of Senior Secured Noteholders to Stipulation* [Docket No. 172] (the “**Stipulation Objection**”);

WHEREAS, on December 1, 2015, the Committee filed the *Response of Official Committee of Unsecured Creditors to Objection of Ad Hoc Group of Senior Secured Noteholders to Stipulation* [Docket No. 175];

WHEREAS, on December 2, 2015, the Bankruptcy Court entered the *Order Authorizing and Approving (A) Stalking Horse Purchase Agreement, (B) Bidding Procedures, (C) Procedures for Determining Cure Amounts for Executory Contracts and Unexpired Leases, and (D) Related Relief* [Docket No. 180] which recognized that the signatory Parties to the First Amended Stipulation bound themselves to the First Amended Stipulation, and made it enforceable against such Parties;

WHEREAS, on December 2, 2015, the Debtors filed the *Notice of Filing of Amendment to Asset Purchase Agreement*, which attached as an exhibit an amendment to the Purchase Agreement (the “**Purchase Agreement Amendment**”). The Purchase Agreement Amendment provided certain modifications to the Purchase Agreement designed to reflect certain of the agreements of the parties to the First Amended Stipulation.

WHEREAS, on December 9, 2015, the Ad Hoc Group filed the *Objection of Ad Hoc Group of Senior Secured Noteholders to the Debtors’ Expedited Motion to (I) Approve Disclosure Statement and the Form and Manner of Service Related Thereto; (II) Set Dates for the Objection Deadline and Hearing Relating to Confirmation of the Plan; and (III) Authorize Related Relief* [Docket No. 215] (the “**Disclosure Statement Objection**”);

WHEREAS, on December 13, 2015, the Debtors filed the *Debtors’ First Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 238] (the “**Plan**”)²;

² A further amended version of the Plan is attached hereto as **Exhibit A**.

WHEREAS, on December 13, 2015, the Debtors filed the *First Amended Disclosure Statement for the Debtors' First Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 239];

NOW, THEREFORE, it is hereby stipulated and agreed to by and among the Parties and upon Bankruptcy Court approval hereof, it shall be ordered as follows:

1. This Stipulation amends and restates the First Amended Stipulation, and the First Amended Stipulation is no longer in effect. This Stipulation is intended to bind and inure to the benefit of the Parties. The rights or obligations of the Parties under this Stipulation may not be assigned, delegated, or transferred to any other person or entities; *provided, however*, Highbridge, in connection with any sale of a majority of its claims against the Debtors, may assign, delegate, or transfer its rights or obligations under this Stipulation to a third party in its sole discretion.

2. The Purchase Agreement shall be amended to provide that Highbridge shall fund the Sale Proceeds as provided for, and only as provided for, in this Stipulation upon the effective date of the Plan (the “**Effective Date**”). The Purchase Agreement shall provide that a condition to the closing of the sale shall be the occurrence of the Effective Date.

3. Under the Plan, Ace shall receive \$1,150,000.00 of the Sale Proceeds, plus any additional amounts recovered pursuant to paragraphs 7 and 8, in full and final satisfaction of any and all Claims of Ace in the Chapter 11 Cases. Ace agrees to satisfy any unpaid Claims against the Debtors on account of P&A liabilities secured by Ace bonds identified on the attached **Exhibit A** (as may be amended or supplemented from time to time solely to include pre-petition claims for P&A work regarding properties on which Ace has issued a bond) on either the earlier of (i) as soon as practicable after entry of an order approving this Stipulation,

(ii) in the ordinary course of business, or (iii) as otherwise ordered by the Court. Ace shall also continue to apply the proceeds of the Escrow Account in the ordinary course of business during the pendency of the Chapter 11 Cases in accordance with the Ace Motion and shall pay past and future P&A liabilities on behalf of the Debtors solely with respect to properties on which Ace has issued a bond up to the face amount of such bond.

4. Under the Plan, holders of General Unsecured Trade Claims shall receive a *pro rata* distribution of \$800,000 of the Sale Proceeds, plus any additional amounts recovered pursuant to paragraphs 7 and 8, in full and final satisfaction of such Claims (the “**General Unsecured Trade Claims Distribution**”). The General Unsecured Trade Claims Distribution shall not be shared with any holder of Claims in any other Class, including, without limitation, the General Unsecured Non-Trade Claims Class; *provided, however*, except as set forth in this Paragraph, in the event the Debtors or Highbridge satisfy any such General Unsecured Trade Claims on or before the Effective Date, whether through any motion filed by the Debtors or through Cure Payments paid pursuant to the Sale (other than any General Unsecured Claims solely on account of Mineral and Other Interests (as defined in the Royalty Motion), with any such characterization subject to the consent of Highbridge and the Committee) (collectively, the “**Satisfied Claims**”), then the amount provided to Holders of General Unsecured Trade Claims shall be reduced by 57.5% of the amount of the Satisfied Claims. The Plan shall be amended to provide that General Unsecured Trade Claims does not include (i) any Debtors’ professional fees incurred prepetition, and (ii) any payments made to Debtors’ employees on account of prepetition claims.

5. Under the Plan, the Sales Proceeds shall fund the Professional Fee Reserve in an amount not to exceed \$4,000,000, of which \$3,200,000 may be applied to the fees of the

Debtors' retained professionals and \$800,000 may be applied to the fees of the Committee's retained professionals, less any amounts paid to such professionals during the pendency of the chapter 11 cases under any interim compensation orders of the Court or otherwise, and in addition to amounts funded by the Debtors held in retainer by such professionals, in full and final satisfaction of all Professional Fee Claims.

6. Under the Plan, the Sale Proceeds shall fund the Liquidating Trust Expense Reserve in the amount of \$100,000; *provided, however*, that if not all of the \$800,000 provided for in paragraph 5 is used to pay the allowed fees and expenses of the Committee's professionals, any unused portions up to \$50,000 shall be transferred to the Liquidating Trust Expense Reserve. The Plan shall be amended to provide (i) that the Liquidating Trustee shall be appointed by agreement among Highbridge, the Committee, and the Ad Hoc Group (or the Court if such Parties cannot mutually agree on the appointment of the Liquidating Trustee); *provided, however*, that a representative appointed by the Committee to represent the interests of the General Unsecured Trade Claims Creditors shall have sole authority (on terms to be provided in the Liquidating Trust Agreement) to make decisions related to, or to otherwise reconcile, object, and settle general unsecured claims pursuant to the Plan; and (ii) such other amendments as may be necessary or reasonable for the Liquidating Trust, to be negotiated in good faith by the Parties, including, without limitation, commercially reasonable efforts to cause the Purchaser to enter into a transition services agreement with the Liquidating Trustee, at cost, for the reconciliation of claims, if necessary or desirable.

7. The Plan shall provide that all proceeds, if any, of the Liquidating Trust Assets, including any unused amounts from the Professional Fee Reserve and the Liquidating Trust Expense Reserve, subject to paragraph 6 and 8, shall be distributed on a Pro Rata basis

(excluding any funds held in the Sale Escrow) to Holders of Allowed Senior Secured Notes Deficiency Claims, Allowed Ace Claims, Allowed General Unsecured Trade Claims, and Allowed General Unsecured Non-Trade Claims. The Plan will be amended to provide that the Senior Secured Notes Claims and Senior Secured Notes Deficiency Claims are allowed claims in an aggregate amount of not less than \$263,400,000 for all purposes of the Chapter 11 Cases, without the need or requirement for any person or entity to file any proof of claim with respect thereto; *provided, however*, that the Committee shall have twenty (20) days from the Stipulation Effective Date to object to the amount of such claim and if no such objection is filed within such date, then the Senior Secured Notes Claims and Senior Secured Notes Deficiency Claims shall be allowed in the aggregate amount of \$263,400,000.

8. Subject to the next sentence of this Paragraph, the Plan will be amended to provide that any Causes of Action of the Debtors against the Excluded Parties (as defined herein), in their capacity as current or former directors and officers of the Debtors (collectively, the “**Specified Litigation Claims**”) shall not be released or exculpated (and shall not be considered Assets under the Purchase Agreement), shall be treated as Liquidating Trust Assets for all purposes, and that any and all proceeds and recoveries from such Causes of Action or D&O Policies (collectively, the “**Litigation Recoveries**”) shall be distributed under the Plan as follows: (a) the first \$2,000,000 of Litigation Recoveries in the aggregate to Holders of Allowed First Lien Credit Agreement Claims; (b) the next \$4,000,000 of Litigation Recoveries in the aggregate, (i) 50% to Holders of Allowed First Lien Credit Agreement Claims, and (ii) 50% to the Liquidating Trust as Liquidating Trust Assets; and (c) all other Litigation Recoveries in excess of \$6,000,000 to the Liquidating Trust as Liquidating Trust Assets. Notwithstanding the preceding sentence, (x) the Specified Litigation Claims shall not include

any Causes of Action of the Debtors against directors and officers of the Debtors that are not Excluded Parties and such parties shall be released and exculpated under and to the extent set forth in the Plan, unless any such Causes of Action are based on either actual fraud, willful misconduct, or gross negligence, and (y) the Litigation Recoveries for Causes of Action of the Debtors (other than for actual fraud, willful misconduct, or gross negligence) shall be limited to the policy limits under any applicable D&O Policies (including any excess policies). The Plan will be amended to provide that a condition to its effectiveness be that such D&O Policies remain in full force and effect as of the Effective Date, with available coverage of not less than \$20 million. “**Excluded Parties**” means, unless as otherwise agreed by Highbridge, the Committee and the Ad Hoc Group, Howard A. Settle, Jonathan B. Rudney, and all other current and former directors and officers of the Debtors that are not, or do not become as of the Effective Date, directors and officers of Purchaser or its affiliates.

9. The Plan shall provide that a committee consisting of a representative appointed by the Ad Hoc Group and a representative appointed by Highbridge (the “**Litigation Committee**”) shall have the sole authority (on terms to be agreed by the Ad Hoc Group and Highbridge in the Liquidating Trust Agreement) to make decisions related to, or to otherwise settle, the Specified Litigation Claims.

10. The Plan shall be modified to provide that from the Sale Proceeds, the Ad Hoc Group will receive an amount not to exceed \$85,000 for the payment of the reasonable and document professional fees and expenses of Latham & Watkins LLP, as counsel to the Ad Hoc Group. The Purchase Agreement will be modified to reflect an increase in the Sale Proceeds of \$85,000.

11. The Plan and/or the Purchase Agreement, as applicable, shall be modified in all respects to incorporate the terms of this Stipulation contemplated herein.

12. In the event the Debtors determine that another Sale transaction is higher or otherwise better than the Purchase Agreement, any Sale Proceeds in excess of the amount provided in the Purchase Agreement (as modified by Paragraph 2, herein) shall be applied after the payments contemplated under this Stipulation are paid, first, to satisfy all First Lien Credit Agreement Claims up to the full amount of such Claims and, second, to Holders of Senior Secured Note Claims on a pro rata basis.

13. If Highbridge is the Purchaser under the Plan, it shall use commercially reasonable efforts to enter into a transition services agreement with Ace on the Effective Date of the Plan, at cost, with respect to use of Debtor's management team to facilitate any post-closing P&A on the Ace bonded assets of the Debtors.

14. The Debtors, Highbridge, the Committee, Ace, and the Ad Hoc Group shall (i) support, and shall not directly or indirectly, or encourage any other entity to directly or indirectly, object to, delay, impede, or take any other action or any inaction to interfere with the acceptance, implementation, or consummation of the Plan (as amended consistent with this Stipulation) or approval by the Court of the Plan, the Cash Collateral Order, the Sale, and the Ace Motion or any related transactions, documents, or settlements, (ii) withdraw any and all and not engage in any further, discovery requests, litigation, appeals, or objections related to the foregoing or any matters related to the foregoing, and (iii) not agree to, consent to, or provide any support to any other Plan or Sale that is inconsistent with the terms set forth in this Stipulation.

15. For the avoidance of doubt, this Stipulation shall not limit or otherwise impair Highbridge's rights provided for in the Cash Collateral Order or Purchase Agreement (except as modified by this Stipulation) and upon a termination of the Purchase Agreement (except in accordance with the Bidding Procedures (as defined therein)) or of the use of cash collateral under the Cash Collateral Order, this Stipulation shall be deemed terminated and the Parties' rights shall revert *status quo ante*.

16. This Stipulation shall not be modified, altered, amended or vacated without the written consent of the Parties hereto.

17. For purposes of construing this Stipulation, none of the Parties shall be deemed to have been the drafter of the Stipulation.

18. This Stipulation may be executed in counterparts, each of which will be deemed an original but all of which together will constitute one and the same agreement. Signatures to this Stipulation transmitted by facsimile transmission, by electronic mail in "portable document format" (.pdf) form or other electronic means will have the same effect as physical delivery of the paper document bearing an original signature.

19. Upon approval by the Court, this Stipulation shall constitute an order of this Court and violations of the provisions of this Stipulation are subject to enforcement and the imposition of legal sanctions in the same manner as any other order of the Court.

[Signature Page Immediately Follows]

Stipulated and agreed by:

RAAM GLOBAL ENERGY COMPANY, *et al.*, DEBTORS AND DEBTORS IN POSSESSION

By: /s/ Bradley R. Foxman

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