

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
ROANOKE DIVISION**

In re:

XINERGY LTD., et al.,

Debtors.¹

Chapter 11

Case No. 15-70444 (PMB)

(Jointly Administered)

NOTICE OF AUCTION

PLEASE TAKE NOTICE that:

The above-captioned debtors and debtors-in-possession (collectively, the “Debtors”), are soliciting offers for the purchase of all or substantially all of the property of the Debtor True Energy, LLC (such property, the “True Energy Assets” and such transaction, a “Sale”).

The Debtors expect to proceed with an auction (the “Auction”) to identify the Successful Bid that provides for the highest and best recovery for the Debtors’ estates and creditors. The Auction will take place pursuant to bidding procedures (the “True Energy Bidding Procedures”) approved on by the United States Bankruptcy Court for the Western District of Virginia (the “Court”) at a hearing held on December 18, 2015.²

Parties interested in obtaining additional information about the True Energy Assets should contact Gregory L. “Bernie” Mason, Telephone: (865) 474-7000.

The Court established the following dates and deadlines in connection with the Auction:

(i) **Preliminary Indications of Interest: January 8, 2016, at 5:00 p.m. (prevailing Eastern Time)**, as the deadline by which all Preliminary Indications of Interest must be **actually received** by the Debtors and counsel to the Debtors in the form and manner specified in the True Energy Bidding Procedures, in order for an interested party to become a Qualified Bidder;

(ii) **Bid Deadline: January 14, 2016, at 5:00 p.m. (prevailing Eastern Time)**, as the deadline by which all Bids must be **actually received** by the

¹ The Debtors, along with the last four digits of each Debtor’s federal tax identification number, are listed on Schedule 1 attached to the Motion.

² Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to such term in the True Energy Bidding Procedures. This notice is qualified in its entirety by reference to the True Energy Bidding Procedures.

Debtors and counsel to the Debtors in the form and manner specified in the True Energy Bidding Procedures;

(iii) **Auction: January 19, 2016, at 10:00 a.m. (prevailing Eastern Time)**, as the date and time of the Auction, which will be held at the offices of Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219 or at such other location as the Debtors may designate after consultation with the Committee and the DIP Agent; and

(iv) **Sale Hearing: January 21, 2016, at 2:00 p.m. (prevailing Eastern Time)**, or as soon thereafter as counsel may be heard, which will be held before the Honorable Paul M. Black, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Western District of Virginia, Roanoke Division, 2nd Floor, 210 Church Avenue, Roanoke, Virginia 24011.

The True Energy Bidding Procedures, the *Motion of Debtors and Debtors in Possession for Entry of an Order (I) Approving Bidding Procedures for the Sale of All or Substantially All of the Assets of True Energy, LLC, (II) Scheduling Bid Deadlines and the Auction, (III) Approving the Form and Manner of Notice Thereof and (IV) Granting Related Relief*) [ECF No. 571] (the "Motion") and further information regarding the chapter 11 cases is available on the Debtors' case information website (located at www.americanlegal.com/xinergy). **All interested bidders should carefully read the True Energy Bidding Procedures and the order approving the True Energy Bidding Procedures.**

As set forth in the True Energy Bidding Procedures, the Debtors may, in their reasonable judgment, and in consultation with the Committee and the DIP Agent, modify the True Energy Bidding Procedures at any time with notice to Qualified Bidders (as defined therein), including to adjourn the Auction, Sale Hearing or any of the dates set forth herein or therein one or more times for any reason and to terminate the True Energy Bidding Procedures at any time to pursue an alternative restructuring strategy that maximizes value for the Debtors' estates.

Objections, if any, to the relief requested in the Motion in respect of approval of the sale to a Successful Bidder (as defined in the True Energy Bidding Procedures), **must**: (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules, the Local Bankruptcy Rules and any case management order entered in these cases; (c) state with particularity the legal and factual basis for the objection and the specific grounds therefor; and (d) be filed with the Court and served, so as to **actually received no later than January 20, 2016, at 4:00 p.m. (prevailing Eastern Time)**, on: (i) the Debtors, Xinergy Ltd., 8351 East Walker Springs Lane, Suite 400, Knoxville, Tennessee, Attn: Gregory L. "Bernie" Mason, email: bmason@xinergycorp.com; (ii) counsel to the Debtors, Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219, Attn: Tyler P. Brown, email: tpbrown@hunton.com; (iii) counsel to the Committee, (a) McGuireWoods LLP, 625 Liberty Avenue, 23rd Floor, Pittsburgh, PA 15222, Attn: Michael J. Roeschenthaler, email mroeschenthaler@mcguirewoods.com, and (b) Whiteford Taylor & Preston, LLP, 114 Market Street, Ste 210, Roanoke, Virginia 24011, Attn: Michael E. Hastings and Brandy M. Rapp, email: mhastings@wtplaw.com and brapp@wtplaw.com; and (iv) the attorneys for the DIP Agent and an informal group of holders of the Debtors' pre-petition secured notes and lenders under the Debtors' post-petition financing, (a) Paul, Weiss, Rifkind,

Wharton & Garrison LLP, 1285 Avenue of the Americas, New York 10019-6064, Attn: Brian S. Hermann and Lauren Shumejda, email: bhermann@paulweiss.com and lshumejda@paulweiss.com, and (b) Kutak Rock LLP, Bank of America Center, 1111 East Main Street, Suite 800, Richmond, Virginia 23219, Attn: Peter J. Barrett, email: peter.barrett@kutakrock.com.

DATED: December 21, 2015

Respectfully submitted,

/s/ Justin F. Paget

Tyler P. Brown (VSB No. 28072)
Henry P. (Toby) Long, III (VSB No. 75134)
Justin F. Paget (VSB No. 77949)
HUNTON & WILLIAMS LLP
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, Virginia 23219
Telephone: (804) 788-8200
Facsimile: (804) 788-8218
Email: tpbrown@hunton.com
hlong@hunton.com
jpaget@hunton.com

*Counsel to the Debtors
and Debtors in Possession*