

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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| <p>In re:</p> <p>PetroQuest Energy, Inc., <i>et al.</i>,</p> <p style="text-align: center;">Debtors.<sup>1</sup></p> | <p>Chapter 11</p> <p>Case No. 24-12609 (CTG)</p> <p>(Jointly Administered)</p> <p><b>Related to Docket Nos. 355, 370 and 384 and 462</b></p> |
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**ORDER (A) APPROVING THE SALE OF CERTAIN OF THE DEBTORS’  
LITIGATION ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS,  
ENCUMBRANCES AND INTERESTS AND (B) GRANTING RELATED RELIEF**

Upon consideration of the *Debtors’ Motion for Entry of (I) an Order (A) Authorizing and Approving Bidding Procedures in Connection with the Sale of Certain of the Debtors’ Litigation Assets, (B) Scheduling the Auction and Sale Hearing, (C) Approving the Form and Manner of Notice Thereof, and (D) Granting Related Relief; and (II) an Order (A) Approving the Sale of Certain of the Debtors’ Litigation Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests and (B) Granting Related Relief* [Docket No. 355] (the “Motion”); and the Court having entered the *Order (A) Authorizing and Approving Bidding Procedures in Connection with the Sale of Certain of the Debtors’ Litigation Assets, (B) Scheduling the Auction and Sale Hearing, (C) Approving the Form and Manner of Notice Thereof, and (D) Granting Related Relief* [Docket No. 384] (the “Bidding Procedures Order”)<sup>2</sup> which, among other things, (i) authorized and approved the bidding

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PetroQuest Energy, Inc. (0714), PetroQuest Energy, L.L.C. (2439), PetroQuest Oil & Gas, L.L.C. (1170), and PQ Holdings LLC, (7576). The Debtors’ corporate headquarters is 400 E. Kaliste Saloom Road, Suite 5200, Lafayette, LA 70508.

<sup>2</sup> Unless otherwise indicated, capitalized terms used, but not defined, herein have the meaning ascribed to them in the Motion, the Bidding Procedures Order, the *Final Order Pursuant to Sections 105, 361, 362, 363, and 364 of the Bankruptcy Code and Rules 2002, 4001, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (I) Authorizing the Debtors to (A) Use Cash Collateral, (B) Obtain Senior Secured Superpriority Postpetition Financing and Granting Liens and Superpriority Administrative Claims, and (C) Provide Adequate Protection, and (II) Granting Related Relief* [Docket No. 145] (the “Final DIP Order”), or the APA (as defined herein), as applicable.

procedures (the “Bidding Procedures”) as described in the Motion, (ii) scheduled an auction (the “Auction”) and hearing to approve the Sale (the “Sale Hearing”), (iii) approved the form and manner of notice of the Auction and Sale Hearing; (iv) established dates and deadlines in connection with the Sale; and (v) granted related relief; and the Debtors having solicited bids and selected the highest or otherwise best offer for the sale of the Debtors’ Litigation Assets (as defined in the Motion and supplemented in the *Notice of Amendment to Debtors’ Motion for Entry of (I) an Order (A) Authorizing and Approving Bidding Procedures in Connection with the Sale of Certain of the Debtors’ Litigation Assets, (B) Scheduling the Auction and Sale Hearing, (C) Approving The Form and Manner Of Notice Thereof, and (D) Granting Related Relief; and (II) an Order (A) Approving the Sale of Certain of the Debtors’ Litigation Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests and (B) Granting Related Relief* [Docket No. 370]) in accordance with the Bidding Procedures; and the Debtors, in accordance with the Bidding Procedures and the Bidding Procedures Order, having conducted an Auction on June 4, 2025, and selected the credit bid from certain Prepetition Lenders (as defined in the Final DIP Order) (collectively, the “Successful Bidder”) as the highest or otherwise best bid (the “Successful Bid”) and as the Successful Bidder for the Debtors’ Litigation Assets as identified in the Asset Purchase Agreement dated June 5, 2025, by and among the Successful Bidder and Debtor PetroQuest Energy, L.L.C. (respectively, the “Acquired Assets” and the “APA”), attached hereto as **Exhibit 1**, pursuant to the terms and conditions of the APA; and at the Auction the Debtors having selected the bid (the “Back-Up Bid”) from BRUCE Financial Holdings Inc. (the “Back-Up Bidder”) as the second highest or otherwise best bid for the Debtors’ Litigation Assets; and the Court having reviewed the certification of counsel filed by Debtors’ counsel regarding the Auction and considered approval of the sale of the Acquired Assets (the “Sale”) free and clear of all liens, claims, interests, and

encumbrances (the “Interests”); and the Court having found that the relief granted by this Order is in the best interests of the Debtors, their creditors, their estates, and other parties in interest; and all parties in interest having been heard, or having had the opportunity to be heard, arguments of counsel made, evidence proffered and adduced regarding the Sale and upon the record of the hearing to consider approval of the Bidding Procedures (the “Bidding Procedures Hearing”), the Sale Hearing, the *Declaration of Jeremy Stillings in Support of the Debtors’ Motion for Entry of An Order (A) Approving the Sale of Certain of the Debtors’ Litigation Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests and (B) Granting Related Relief* [Docket No. 454] (the “Stillings Declaration”), and these Chapter 11 Cases and proceedings, and after due deliberation thereon, and good cause appearing therefor,

**IT IS HEREBY FOUND AND DETERMINED THAT:**

A. **Findings of Fact and Conclusions of Law.** This Order (this “Sale Order”) shall be deemed to incorporate any findings of fact and conclusions of law made on the record at the Sale Hearing pursuant to Bankruptcy Rule 7052 and the hearing for consideration of the entry of the Bidding Procedures Order. In addition, the findings and conclusions set forth herein constitute this Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to these Chapter 11 Cases pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. **Final Order.** This Sale Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a).

C. **Statutory Predicates.** The statutory predicates for the relief sought in the Motion are sections 105, 363, and 541 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6007, 9007, 9008, and 9014 and Local Rules 2002-1 and 6004-1.

D. **Notice.** As evidenced by the certifications of service previously filed with the Bankruptcy Court, and based on the representations of counsel in connection with the Bidding Procedures Order and at the Sale Hearing, proper, timely, adequate and sufficient notice of the Motion, the Bidding Procedures Hearing, the Auction, the APA, the Sale Hearing, and this Sale Order, have been provided in accordance with the Bidding Procedures Order, sections 102(1) and 363 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 9007, 9008, and 9014, the Bidding Procedures Order, and Local Rule 6004-1. Such notice was good and sufficient and appropriate under the particular circumstances and all creditors of the Debtors and other parties in interest in these Chapter 11 Cases were offered a reasonable opportunity to object and be heard. No other or further notice of the Motion, including, without limitation, the APA, the Auction, the Sale Hearing, and entry of this Sale Order was or is necessary or shall be required.

E. The disclosures made by the Debtors concerning the Motion, the APA, the Auction, the Successful Bid, and the Sale, prior to and in connection with the Sale Hearing were good, complete and adequate.

F. **Bankruptcy Petition.** On November 13, 2024, the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code commencing these Chapter 11 Cases.

G. The Debtors continue to operate their business as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

H. No trustee or examiner has been appointed in the Chapter 11 Cases.

I. This Court previously entered the Bidding Procedures Order: (i) authorizing and approving the Bidding Procedures, (ii) scheduling the Auction and Sale Hearing; (iii) approving the form and manner of notice of the Auction and Sale Hearing; (iv) establishing dates and deadlines in connection with the Sale; and (v) granting related relief.

J. **Jurisdiction and Venue.** The Bankruptcy Court has jurisdiction to hear and determine the Motion pursuant to 28 U.S.C. §§ 1334(b) and 157(a) and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012. The Motion is a core proceeding under 28 U.S.C. § 157(b)(2)(A), (N), and (O), and the Court may enter a final order consistent with Article III of the United States Constitution. Venue is proper in this District and in the Bankruptcy Court pursuant to 28 U.S.C. §§ 1408 and 1409.

K. **Opportunity to Object.** A reasonable opportunity to object or be heard regarding the Sale and all matters related thereto has been afforded to all creditors of the Debtors and other parties in interest in the Chapter 11 Cases, including, without limitation, the following: (i) any parties required to receive notice under Article 9 of the Uniform Commercial Code; (ii) any party that has requested notice pursuant to Bankruptcy Rule 2002; (iii) Sanare; (iv) the parties to the Additional Lawsuits; (v) creditors for whom the Debtors have email addresses; (vi) the Office of the United States Trustee for the District of Delaware; (vii) counsel to the Debtors' prepetition and DIP lenders; and (viii) the holders of the thirty (30) largest unsecured claims against the Debtors on a consolidated basis.

L. **Title in the Acquired Assets.** The Acquired Assets constitute property of the Debtors' estates and title thereto is vested in the Debtors' estates within the meaning of section

541(a) of the Bankruptcy Code. The Debtors have all title, interest, and/or rights in the Acquired Assets required to transfer and to convey the Acquired Assets to the Successful Bidder.

M. **Business Justification.** The Debtors have demonstrated a sufficient basis and compelling circumstances requiring them to sell the Acquired Assets to the Successful Bidder. Such action is an appropriate exercise of the Debtors' business judgment and in the best interest of the Debtors, their estates, and their creditors. Such business reasons include, but are not limited to: (i) the Debtors' ability to realize immediate financial resources for the benefit of all creditors, interested parties, and stakeholders in these Chapter 11 Cases through the APA; (ii) the Successful Bid constitutes the highest or otherwise best offer for the Acquired Assets; (iii) the APA, the consideration being paid by the Successful Bidder for the Acquired Assets, and the closing of the Sale (the "Closing" and the date upon which the Closing occurs, the "Closing Date"), present the best opportunity to realize the value of the Acquired Assets and to avoid further depletion of the Debtors' estates in connection with litigation and judgment collection involving the Acquired Assets. Entry of this Sale Order (and all provisions hereof) is a condition precedent to the Successful Bidder consummating the Sale.

N. **Opportunity to Bid.** The Debtors and their professionals marketed the Acquired Assets appropriately and conducted the marketing and sale process in good faith without collusion and in accordance with the Bidding Procedures and the Bidding Procedures Order. The marketing process set forth in the Bidding Procedures and the Bidding Procedures Order was fair in substance and procedure and afforded a full and fair opportunity for any party to make an offer to purchase the Acquired Assets. Based upon the record of these proceedings, all creditors of the Debtors, other parties in interest in these Chapter 11 Cases, and all prospective purchasers have been afforded a reasonable and fair opportunity to bid for the Acquired Assets.

O. **Highest or Otherwise Best Offer.** The total consideration provided by the Successful Bidder for the Acquired Assets is the highest or otherwise best offer for the Acquired Assets received by the Debtors. Prior to the Auction, three (3) interested parties submitted Qualified Bids for the Acquired Assets, or some portion thereof, and the Debtors, exercising their reasonable discretion, determined and declared the Successful Bidder to have submitted the highest or otherwise best bid for the Acquired Assets at the conclusion of the Auction in accordance with the Bidding Procedures, the Bidding Procedures Order and the APA, which determination constitutes a valid and sound exercise of the Debtors' business judgment. The Debtors, the Successful Bidder, and their respective professionals have complied in all respects with the Bidding Procedures, the Bidding Procedures Order, the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules in connection with all aspects of the Auction and Sale.

P. **Good Faith Purchaser.** The APA and the Sale have been negotiated by the Debtors and the Successful Bidder (and their respective affiliates and professionals) in good faith, at arms' length, and without collusion or fraud. The terms and conditions of the APA, including the total consideration to be paid by the Successful Bidder to the Debtors pursuant to the APA, are fair and reasonable, and the Sale is in the best interest of the Debtors, their estates, and their creditors.

Q. The Successful Bidder is a good faith purchaser of the Acquired Assets and is hereby granted and entitled to all of the protections provided to a good faith purchaser under section 363(m) of the Bankruptcy Code. Pursuant to section 363(m) of the Bankruptcy Code, if any or all of the provisions of this Sale Order are hereafter reversed or modified by a subsequent order of the Bankruptcy Court or any other court, such reversal or modification shall not affect the validity and enforceability of any sale, transfer, or assignment under the APA or obligation or right

granted pursuant to the terms of this Sale Order (unless stayed pending appeal prior to the Closing Date), and notwithstanding any reversal or modification, any sale, transfer, or assignment shall be governed in all respects by the original provisions of this Sale Order and the APA, as the case may be.

R. The Successful Bidder has acted and will be acting in good faith in its negotiations with the Debtors, submitting a bid, and consummating the Sale after entry of this Sale Order.

S. **Corporate Power and Authority.** The Debtors have full corporate power and, subject to entry of this Sale Order, authority to execute and deliver the APA and to perform all of their respective obligations thereunder, and the sale of the Acquired Assets has been duly and validly authorized by all corporate authority necessary to consummate the Sale. No consents or approvals, other than as expressly provided for in the APA and the entry of this Sale Order, are required by the Debtors to consummate the Sale.

T. **Free and Clear.** After the Closing, no entity shall have any Interest in or against the Acquired Assets. All Interests in or against the Acquired Assets that existed prior to the Closing, including, without limitation, the Adequate Protection Liens (as defined in the Final DIP Order), shall attach to the sale proceeds the Debtors receive under the Sale (subject to the terms and conditions set forth in the Bidding Procedures Order and this Sale Order) in the same order of priority, validity, force, and effect which they previously had against the Acquired Assets, subject to any claims, rights and defenses the Debtors and the Debtors' estates may possess with respect thereto.

U. The Successful Bidder would not have entered into the APA to acquire the Acquired Assets and would exercise its right to terminate the APA, if the sale of the Acquired Assets were to be transferred to it other than free and clear of all Interests, or if the Successful

Bidder was, would, or in the future could, be liable for any such Interests. A sale of the Acquired Assets other than one free and clear of all Interests would adversely impact the Debtors' estates and would yield substantially less value for the Debtors' estates, with less certainty than the Sale. Therefore, the Sale contemplated by the APA is in the best interest of the Debtors, their estates and creditors, and all other parties in interest in these Chapter 11 Cases.

V. **Satisfaction of 363(f) Standards.** The Debtors may sell and assign the Acquired Assets free and clear of Interests, because, with respect to each creditor asserting an Interest, one or more of the standards set forth in sections 363(f)(1)-(5) of the Bankruptcy Code have been satisfied. Those holders of Interests who did not object or who withdrew their objections to the Sale Notice are deemed to have consented to the Motion and the sale of the Acquired Assets to the Successful Bidder pursuant to section 363(f)(2) of the Bankruptcy Code. Any holders of Interests who did object fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code and are or would be adequately protected by having their Interests, if any, attach to the proceeds of the Sale ultimately attributable to the Acquired Assets in which such holders allege an Interest in the same order of priority, with the same validity, force, and effect that such holder had prior to the Sale, and subject to any claims and defenses the Debtors and their estates may possess with respect thereto.

W. **No Fraudulent Transfer.** The Sale is not for the purpose of hindering, delaying, or defrauding creditors under the Bankruptcy Code or under the laws of the United States, any state, territory, or possession thereof, or the District of Columbia. Neither the Debtors nor the Successful Bidder has entered into the APA or is consummating the Sale with any fraudulent or otherwise improper purpose.

X. **Fair Consideration.** The consideration provided for the Sale constitutes reasonably equivalent value and fair consideration (as those terms are defined in each of the Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, section 548 of the Bankruptcy Code, or any similar state or federal law) under the Bankruptcy Code and under the laws of the United States, any state, territory, or possession thereof, or the District of Columbia.

Y. **Compliance with Bankruptcy Code.** The consummation of the Sale is legal, valid, and properly authorized under all applicable provisions of the Bankruptcy Code, including without limitation sections 105(a), 363(b), 363(f), 363(m), 365(b), and 365(f) of the Bankruptcy Code and all of the applicable requirements of such sections have been or will be complied with in respect of the Sale as of the Closing Date.

Z. **Binding Agreement and Sale Order.** The APA is a valid and binding contract between the Debtors and the Successful Bidder and shall be enforceable pursuant to its terms. The APA and the Sale itself, and the consummation thereof, shall be, to the extent provided in the APA, specifically enforceable against and binding upon (without posting any bond) the Debtors and any chapter 7 or chapter 11 trustee appointed with respect to any of the Debtors, and shall not be subject to rejection or avoidance by the foregoing parties or any other person. The terms and provisions of this Sale Order shall be binding in all respects upon, and shall inure to the benefit of, the Debtors, their estates, and their creditors (whether known or unknown) and holders of equity interests in any Debtor, any holders of claims against or on all or any portion of the applicable Acquired Assets and each of their respective affiliates, successors, and assigns (provided, affiliates of the Successful Bidder shall be bound only to the extent expressly set forth in the APA), and any affected third parties (collectively, the “Bound Parties”), notwithstanding any subsequent appointment of any trustee, examiner, or receiver under the Bankruptcy Code or any other law, and all such provisions

and terms shall likewise be binding on such trustee, examiner, receiver, party, entity, or other fiduciary under the Bankruptcy Code or any other law with respect to any of the Bound Parties, and all such terms shall likewise be binding on such trustee, examiner, receiver, party, entity, or other fiduciary, and shall not be subject to rejection or avoidance by the Debtors, their estates, their creditors or any trustee, examiner, receiver, party, entity, or other fiduciary. The provisions of this Sale Order and the terms and provisions of the APA shall survive the entry of any order that may be entered confirming or consummating any chapter 11 plan of the Debtors, dismissing these chapter 11 cases, or converting these chapter 11 cases to cases under chapter 7. The rights and interests granted pursuant to this Sale Order and the APA shall continue in these or any superseding cases and shall be binding upon the Bound Parties and their respective successors and permitted assigns including, without limitation, any trustee, party, entity, or other fiduciary hereafter appointed as a legal representative of the Debtors under chapter 7 or chapter 11 of the Bankruptcy Code. Any trustee appointed for the Debtors under any provision of the Bankruptcy Code, whether the Debtors are proceeding under chapter 7 or chapter 11 of the Bankruptcy Code, shall be authorized and directed to perform under the APA and this Sale Order without the need for further order of the Court.

AA. The Sale contemplated by the APA is in the best interest of the Debtors, their estates, creditors, interest holders and all other parties in interest in these Chapter 11 Cases; and it is therefor,

**ORDERED, ADJUDGED AND DECREED THAT:**

1. **Relief Granted.** The relief requested in the Motion is hereby granted in its entirety.
2. **Objections Overruled.** All formal and informal objections and responses to the Motion, the Successful Bid or Back-Up Bid, the APA, the Sale, this Sale Order or the relief granted

herein (including all reservation of rights included therein) that have not been overruled, withdrawn, waived, settled, or otherwise resolved, are hereby overruled and denied on the merits with prejudice.

3. **Notice.** Notice of the Motion, the Auction, the Sale Hearing, and the Sale was fair and equitable under the circumstances and complied in all respects with the Bidding Procedures, sections 102(1) and 363 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 9006, and 9007 and Local Rule 6004-1.

4. **Approval.** The APA and all ancillary documents related thereto are hereby approved and authorized in all respects, and the Debtors and the Successful Bidder are hereby authorized, empowered, and directed to fully perform under, consummate, and implement the terms of the APA and to execute, deliver, and perform under, any and all additional instruments and documents that may be reasonably necessary or desirable to implement and effectuate the terms of the APA and this Sale Order and to take all further actions as may reasonably be requested by the Debtors or the Successful Bidder for the purpose of assigning, transferring, granting, conveying, and conferring to the Successful Bidder all of the Acquired Assets, as may be necessary or appropriate to the performance of the Debtors' obligations as contemplated by the APA, without any further corporate action or orders of the Court.

5. **Good Faith Purchaser.** The Successful Bidder is a good faith purchaser of the Acquired Assets and is hereby granted and entitled to all of the protections provided to a good faith purchaser under section 363(m) of the Bankruptcy Code. Pursuant to section 363(m) of the Bankruptcy Code, if any or all of the provisions of this Sale Order are hereafter reversed or modified by a subsequent order of the Bankruptcy Court or any other court, such reversal or modification shall not affect the validity and enforceability of any sale, transfer, or assignment

under the APA or obligation or right granted pursuant to the terms of this Sale Order (unless stayed pending appeal prior to the Closing Date), and notwithstanding any reversal or modification, any sale, transfer, or assignment shall be governed in all respects by the original provisions of this Sale Order and the APA, as the case may be.

6. **Section 363(n) of the Bankruptcy Code.** Neither the Debtors nor the Successful Bidder has engaged in any conduct that would cause or permit the APA to be avoided or costs and damages to be imposed under section 363(n) of the Bankruptcy Code. Accordingly, the APA and the Sale shall not be avoidable under section 363(n) of the Bankruptcy Code, and no party shall be entitled to any damages or other recovery pursuant to section 363(n) of the Bankruptcy Code in respect of the APA or the Sale.

7. The Debtors are hereby authorized and directed to cooperate with the Successful Bidder as reasonably requested by the Successful Bidder and take all actions and execute all documents which the Successful Bidder reasonably and in good faith determines are necessary or desirable to ensure that the Sale is consummated in accordance with the APA and the Debtors are authorized to make such modifications or supplements to any bill of sale or other document or instrument executed or to be executed in connection with the Closing to facilitate such consummation as contemplated by the APA.

8. The Debtors and the Successful Bidder shall have no obligation to proceed with the Closing until all conditions precedent to their obligations to proceed have been met, satisfied, or waived in accordance with the terms of the APA.

9. **Valid Transfer.** Effective as of the Closing the sale and assignment of the Acquired Assets by the Debtors to the Successful Bidder shall constitute a legal, valid, and effective transfer of the Acquired Assets notwithstanding any requirement for approval or consent

by any person, and shall vest the Successful Bidder with all right, title, and interest of the Debtors in and to the Acquired Assets, free and clear of all Interests pursuant to section 363(f) of the Bankruptcy Code. Upon the occurrence of the Closing, this Sale Order shall be considered and constitute for any and all purposes a full and complete general assignment, conveyance, and transfer of the Acquired Assets to the Successful Bidder pursuant to the APA and/or a bill of sale or assignment transferring indefeasible title and interest in the Acquired Assets.

10. **Free and Clear.** Upon the occurrence of the Closing, the Debtors shall be, and hereby are, authorized, empowered, and directed, pursuant to sections 105, 363(b), and 363(f) of the Bankruptcy Code, to sell, assign, convey, and transfer the Acquired Assets to the Successful Bidder. The sale and assignment of the Acquired Assets to the Successful Bidder pursuant to the APA vests the Successful Bidder with all right, title, and interest of the Debtors in and to such Acquired Assets free and clear of any and all Interests, and other liabilities of any kind or nature whatsoever with such Interests, including without limitation, the Adequate Protection Liens (as defined in the Final DIP Order), to attach to the proceeds of the Sale, whether known or unknown as of the Closing Date, now existing or hereafter arising, legal or equitable, matured or unmatured, contingent or non-contingent, liquidated or unliquidated, whether imposed by agreement, understanding, law, equity, or otherwise, with all such Interests, including without limitation, the DIP Liens and Adequate Protection Liens to attach only to the proceeds of the sale and assignment of such Acquired Assets with the same priority, validity, force, and effect as they now have in or against such Acquired Assets. The Motion shall be deemed to provide sufficient notice as to the sale and assignment of the Acquired Assets free and clear of all Interests in accordance with Local Rule 6004-1.

11. The provisions of this Sale Order authorizing the sale and assignment of the Acquired Assets free and clear of Interests shall be self-executing, and the Debtors and the Successful Bidder shall not be required to execute or file releases, termination statements, assignments, consents, or other instruments in order to effectuate, consummate, and implement the provisions of this Sale Order.

12. **No Successor Liability.** Effective upon the Closing, all persons and entities are forever prohibited and enjoined from commencing or continuing in any manner any action or other proceeding, whether in law or equity, in any judicial, administrative, arbitral, or other proceeding against the Successful Bidder, or its assets (including the Acquired Assets), with respect to any (i) Interests or (ii) successor or transferee liability, in each case, relating to the Acquired Assets, including, without limitation, the following actions with respect to clauses (i) and (ii):

- a) commencing or continuing any action or other proceeding pending or threatened;
- b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order;
- c) creating, perfecting or enforcing any Interest;
- d) asserting any setoff, right of subrogation, or recoupment of any kind; or
- e) commencing or continuing any action, in any manner or place, that does not comply with, or is inconsistent with, the provisions of this Sale Order or other orders of this Court, or the agreements or actions contemplated or taken in respect hereof.

13. Except as otherwise expressly provided in the APA, no person or entity, including without limitation, any federal, state, or local governmental agency, department, or instrumentality, shall assert by suit or otherwise against the Successful Bidder or its successors or assigns any claim they had, have, or may have against the Debtors, or any liability, debt, or obligation relating to or arising from the Acquired Assets, and all persons and entities are hereby

enjoined from asserting against the Successful Bidder in any way any such claims, liabilities, debts, or obligations.

14. **Failure to Specify Provisions.** The failure to specifically include any particular provisions of the APA or any related agreements in this Sale Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Bankruptcy Court, the Debtors, and the Successful Bidder that the APA and any related agreements are authorized and approved in their entirety with such amendments thereto as may be made by the parties in accordance with this Sale Order. Likewise, all of the provisions of this Sale Order are nonseverable and mutually dependent.

15. **Compliance with Final DIP Order.** All proceeds from the consummation of the Sale shall be treated and paid in accordance with the provisions of the Final DIP Order. Nothing in this Sale Order shall (i) be deemed a waiver of the rights and remedies of the Prepetition Secured Parties (as defined in the Final DIP Order) under the Final DIP Order; (ii) affect in any way the validity, perfection, priority, or enforcement of the liens and claims granted to the Prepetition Secured Parties under or pursuant to the Final DIP Order; or (iii) affect or limit in any way the validity, perfection, priority, or enforcement of the Prepetition Liens and the Prepetition Obligations (each as defined in the Final DIP Order), or any other rights and protections granted to the Prepetition Secured Parties under the Prepetition Term Loan Agreement (as defined in the Final DIP Order) and Final DIP Order, all of which shall attach to the proceeds of the Sale in accordance with the provisions of the Final DIP Order, and this Sale Order.

16. **Binding Order.** This Sale Order and the APA shall be binding upon and govern the acts of all persons and entities, including, without limitation, the Debtors, the Successful Bidder, and their respective successors and permitted assigns, including, without limitation, any

chapter 11 trustee hereinafter appointed for the Debtors' estates or any trustee appointed in a chapter 7 case if any of the Chapter 11 Cases is converted from chapter 11, all creditors of any Debtor (whether known or unknown), all governmental units, filing agents, filing officers, title agents, recording agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office or contract, to accept, file, register, or otherwise record or release any documents or instruments or who may be required to report or insure any title in or to the Acquired Assets. The APA and the Sale shall not be subject to rejection or avoidance under any circumstances. This Sale Order and the APA shall inure to the benefit of the Debtors, their estates, their creditors, the Successful Bidder and their respective successors and assigns.

17. **No Stay of Order; No Just Reason for Delay.** The provisions of Bankruptcy Rules 6004 and 6006, and to the extent applicable under the Bankruptcy Rules, Rule 62(a) of the Federal Rules of Civil Procedure, staying the effectiveness of this Sale Order are hereby waived, and this Sale Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing. Further, to the extent Rule 54(b) of the Federal Rules of Civil Procedure is applicable to the Sale Order, the Court determines that there is no just reason for delay and directs that the Sale Order shall constitute a final judgment. Any party who has objected to this Sale Order must exercise due diligence in filing an appeal, pursuing a stay and obtaining a stay prior to the Closing, or risk its appeal being foreclosed as moot.

18. **Lift of Automatic Stay.** The automatic stay pursuant to section 362 of the Bankruptcy Code is hereby lifted with respect to the Debtors to the extent necessary, without further order of the Court, to allow the Successful Bidder to deliver any notice provided for in the APA and allow the Successful Bidder to take any and all actions permitted under the APA.

19. **Privilege.** Any attorney-client privilege, work product privilege, joint or common interest privilege, or other privilege or immunity attaching to any documents or communications (in any form including, without limitation, written, electronic, or oral) related to the Acquired Assets (collectively, the “Privileges”) shall be transferred to and shall vest in the Successful Bidder. The Successful Bidder’s receipt of such Privileges shall not operate as a waiver of other privileges possessed or retained by the Debtors, nor shall it operate to eliminate the rights of any of the Debtors’ co-parties in any related litigation.

20. **Retention of Jurisdiction.** The Court shall retain exclusive jurisdiction to (i) interpret, implement and enforce the terms and provisions of this Sale Order, the Bidding Procedures Order, and the APA, including all amendments thereto and any waivers and consents thereunder and each of the agreements executed in connection therewith, in all respects and (ii) decide any disputes concerning this Sale Order and the APA, or the rights and duties of the parties hereunder or thereunder or any issues relating to the APA and this Sale Order including, but not limited to, the interpretation of the terms, conditions, and provisions hereof and thereof, the status, nature, and extent of the Acquired Assets and all issues and disputes arising in connection with the relief authorized herein, inclusive of those concerning the transfer of the Acquired Assets free and clear of all Interests.

21. **Back-Up Bidder.** Pursuant to the Bidding Procedures and Bidding Procedures Order, the Debtors have designated BRUCE Financial Holdings Inc. as the Back-Up Bidder pursuant to the provisions of the Bidding Procedures Order. In the event that the Successful Bidder cannot or refuses to consummate the Sale, the Back-Up Bidder will be deemed the new Successful Bidder, and the Debtors may consummate the Sale with the Back-Up Bidder without further order of the Court and all references to “Successful Bidder” in this Sale Order shall apply to the Back-

Up Bidder. The Debtors shall file a copy of the asset purchase agreement with the Back-Up Bidder with the Court prior to consummating the Sale with the Back-Up Bidder.

22. **Governing Terms.** To the extent this Sale Order is inconsistent with the Bidding Procedures Order or the terms of the APA (including all ancillary documents executed in connection therewith), this Sale Order shall govern.

23. **Headings.** The headings in this Sale Order are for purposes of reference only and shall not limit or otherwise affect the meaning of the Sale Order.

A handwritten signature in black ink, appearing to read "Craig Goldblatt", is positioned above the printed name of the judge.

Dated: June 13th, 2025  
Wilmington, Delaware

CRAIG T. GOLDBLATT  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT 1**

**APA**

**ASSET PURCHASE AGREEMENT**

by and among

PETROQUEST ENERGY, L.L.C., as Seller

and

NYLI MACKAY HIGH YIELD CORPORATE BOND FUND, as a Buyer

NYLI VP ACKAY HIGH YIELD CORPORATE BOND PORTFOLIO, as a Buyer

NYLI MACKAY SHORT DURATION HIGH INCOME FUND, as a Buyer

CORRE OPPORTUNITIES QUALIFIED MASTER FUND, LP, as a Buyer

CORRE HORIZON FUND, LP, as a Buyer

CONCISE SHORT TERM HIGH YIELD MASTER FUND, SPC, as a Buyer

MERCER QIF FUND PLC – MERCER INVESTMENT FUND 1, as a Buyer

**DATED AS OF JUNE 5, 2025**

## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this “**Agreement**”), dated as of June 5, 2025 (the “**Execution Date**”), is entered into by and among PETROQUEST ENERGY, L.L.C., a Louisiana limited liability company (“**Seller**”), on the one hand, and NYLI MACKAY HIGH YIELD CORPORATE BOND FUND, as a Buyer, NYLI VP ACKAY HIGH YIELD CORPORATE BOND PORTFOLIO, as a Buyer, NYLI MACKAY SHORT DURATION HIGH INCOME FUND, as a Buyer, CORRE OPPORTUNITIES QUALIFIED MASTER FUND, LP, as a Buyer, CORRE HORIZON FUND, LP, as a Buyer, CONCISE SHORT TERM HIGH YIELD MASTER FUND, SPC, as a Buyer, MERCER QIF FUND PLC – MERCER INVESTMENT FUND 1, as a Buyer (collectively, the “**Buyers**”), on the other hand. Seller and Buyers are sometimes referred to herein collectively as the “**Parties**” and each individually as a “**Party**”.

WHEREAS, prior to, and continuing through, the Petition Date (as defined below), Seller is party to a lawsuit against Sanare Energy Partners, LLC (“**Sanare**”), styled *Sanare Energy Partners, LLC v. PetroQuest Energy, L.L.C., et al. (In re PetroQuest Energy, Inc.)*, Case No. 18-36322, Adv. No. 19-03329 (Bankr. S.D. Tex.), in which Seller has obtained a final, non-appealable judgment in the amount of \$8,037,243.80 against Sanare (the “**Sanare Judgment**”);

WHEREAS, prior to, and continuing through, the Petition Date, Seller is party to a lawsuit against Vermilion Holdings 26 LLC and Coby Pourtavosi (together, “**Vermilion**”), styled *PetroQuest Energy, L.L.C. v. Vermilion Holdings 26 LLC et al.*, Docket No. C-112353 (15th Judicial Dist. Ct., Parish of Vermilion, La.), in which Seller is seeking to recover approximately \$624,000.00 from Vermilion (the “**Vermilion Claim**”);

WHEREAS, prior to, and continuing through, the Petition Date, Seller is a claimant in the probate proceeding of Samuel Lide Banks (“**Banks**”), styled *PetroQuest Energy, L.L.C., v. Adriana L. Banks Monroe, Independent Executor (In the Estate of Samuel Lide Banks, Deceased)*, Cause No. 490823-402 (Prob. Ct. No. 2, Harris Cty., Tex.), asserted in the minimum amount of \$519,833.72 (the “**Banks Claims**,” and together with the Sanare Judgment and Vermilion Claim, the “**Litigation Assets**”);

WHEREAS, on November 13, 2024 (the “**Petition Date**”), Seller and certain affiliates (the “**Debtors**”) commenced a voluntary case under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”), styled *In re PetroQuest Energy, Inc., et al.*, Case No. 24-12609 (CTG) (Jointly Administered) (the “**Chapter 11 Cases**”);

WHEREAS, Seller may have a right, now or in the future, to benefits arising from and/or relating to the Litigation Assets and the injuries alleged therein, encompassing all rights, title, and ownership interest of any kind, now existing or arising hereafter, to which Seller or its affiliates may be entitled, arising in any way or form, from the Litigation Assets, or the operative facts alleged in the Litigation Assets, including but not limited to the right to monetary benefits, or benefits that may be monetized, from settlements, judgments, or any other form of resolution of the Litigation Assets or the operative facts alleged therein (collectively, the “**Claims**”);

WHEREAS, on April 2, 2025, the Bankruptcy Court entered an order, appearing at Docket No. 384 approving certain bidding and auction procedures with respect to the Litigation Assets and the Claims (the “**Bidding Procedures Order**”);

WHEREAS, Seller owns and desires to sell and transfer the Claims in exchange for the purchase price and other consideration to be paid by Buyers to Seller under the terms of, and subject to the conditions in, this Agreement, and pursuant to the Bidding Procedures Order;

WHEREAS, Buyers desire to purchase such Claims under the terms of, and subject to the conditions in, this Agreement;

WHEREAS, prior to the Closing, Buyers will hold a perfected superpriority and first priority Encumbrance securing substantially all of the assets of Seller, including the Litigation Assets and Claims (collectively, the “**Encumbered Assets**”);

WHEREAS, Buyers, in consideration of the assets that are Encumbered Assets and in satisfaction of the Encumbrance thereon, desire to credit bid under the terms of the *Final Order Pursuant to Sections 105, 361, 362, 363, and 364 of the Bankruptcy Code and Rules 2002, 4001, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (I) Authorizing the Debtors to (A) Use Cash Collateral, (B) Obtain Senior Secured Superpriority Postpetition Financing and Granting Liens and Superpriority Administrative Claims, and (C) Provide Adequate Protection, and (II) Granting Related Relief* [Docket No. 145] (the “**Final DIP Order**”) up to 100% of the outstanding secured claims for outstanding obligations under the Prepetition Term Loan Agreement (as defined in the Final DIP Order) pursuant to section 363(k) of the Bankruptcy Code with respect to the Claims (the “**Credit Bid**”);

WHEREAS, at the Closing, Buyers will hold Prepetition Obligations in an aggregate amount greater than the Purchase Price (the “**Prepetition Holdings**”);

WHEREAS, the Parties intend to effectuate the transactions contemplated by this Agreement through a sale of the Claims pursuant to Sections 105 and 363 of the Bankruptcy Code; and

WHEREAS, Seller’s authority to consummate the transactions set forth in this Agreement is subject to, among other things, the entry of the Sale Order (as defined herein).

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

## ARTICLE I

### RECITALS INCORPORATED IN AGREEMENT

- 1.1 The above recitals are hereby incorporated herein by reference.

## ARTICLE II

### TERMS OF PURCHASE AND SALE

- 2.1 Purchase and Sale of Claims.

On the terms and subject to the conditions and other provisions set forth in this Agreement, Buyers agree to purchase all right, title and interest in the Claims from Seller, and Seller agrees to sell, transfer and assign all right, title and interest in the Claims to Buyers for the sum of \$350,000.00 in the form of a Credit Bid of Prepetition Obligations (the “**Purchase Price**”), including \$250,000.00 for the Sanare Judgment, \$50,000.00 for the Vermillion Claim and \$50,000.00 for the Banks Claims.

- 2.2 Bankruptcy Court Approval. It shall be a condition precedent to the Closing (as defined below) that the Bankruptcy Court shall have entered an order providing for, among other things: (a) the sale of the Claims pursuant to this Agreement, free and clear of interests pursuant to section 363 of the

Bankruptcy Code, which order shall be in full force and effect, and shall not have been modified, stayed, or reversed as of the Closing Date (as defined below) (the “**Sale Order**”).

2.3 Closing. The transactions contemplated by this Agreement will be consummated at closing as follows:

(a) The Seller and Buyers will use reasonable commercial efforts to close (the “**Closing**”) no later than June 23, 2025 (the “**Outside Date**”). The date and time the Closing actually occurs are referred to herein as the “**Closing Date**”.

(b) No later than the Closing Date, Seller shall execute and deliver to Buyers the Notices of Assignment, in the forms attached hereto as Exhibit A, Exhibit B, and Exhibit C (the “**Assignments**”).

(c) Provided that the Sale Order has been entered approving the sale of the Claims to Buyers, Buyers shall satisfy the Purchase Price by discharging Seller of the Purchase Price of each Buyer’s pro rata share of Prepetition Holdings in accordance with the percentages provided in Exhibit D, and, effective as of the Closing, Seller shall be deemed to be discharged, from the Prepetition Term Loan Agreement in an aggregate amount equal to the Purchase Price.

2.4 Cooperation of Seller. Seller understands and acknowledges that in order for Buyers to verify and/or collect the Claims, Buyers may require Seller’s assistance, and Seller agrees to provide commercially reasonable assistance to Buyers as may be necessary for the collection of the Claims, throughout the pendency of the Chapter 11 Cases; provided that any costs or expenses incurred in connection therewith shall be the responsibility of Buyers.

2.5 No Assumption or Obligations or Liabilities. Buyers shall not assume or in any way become liable for any obligation or liability relating to the Claims or Seller unless explicitly provided for in this Agreement.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyers that the following are true and correct as of the date hereof and will be true and correct at the date of Closing after giving effect to the Sale Order:

3.1 Organization and Qualification of Seller. Seller (a) is an entity duly formed and validly existing under the Laws of the State of Louisiana, (b) has all requisite limited liability company power and authority to own and operate its properties and to carry on its businesses as now conducted, subject to the provisions of the Bankruptcy Code, and (c) is qualified to do business and is in good standing (or its equivalent) under the laws of the State of Louisiana.

3.2 Authority of Seller. Subject to the entry of the Sale Order, Seller has the requisite power and authority to sell the Claims to Buyers, execute and deliver this Agreement, and to perform the transactions contemplated hereby or thereby.

3.3 Due Execution; Validly Binding. Subject to the entry of the Sale Order, this Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding obligation of the Seller, enforceable against it in accordance with its terms, except as may be limited by bankruptcy,

insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general and subject to general principles of equity.

3.4 No Litigation. There is no known suit, action, litigation or other proceeding or governmental or administrative investigation or inquiry, pending or threatened against the Seller or concerning the Claims that could prevent or prohibit Seller from selling the Claims or from otherwise complying in full with the provisions of this Agreement.

3.5 Title to Claims; No Liens. Seller has good, valid and marketable title to the Claims and, upon entry of the Sale Order, may sell the Claims free and clear of any mortgage, pledge, lien, security interest, claim or encumbrance. Seller has not previously transferred or received compensation for the Claims, in whole or in part, or any interest therein, or authorized any other party to file the Claims on its behalf and receive a fee, commission, or any similar compensation.

3.6 Disclaimers; No Representations or Warranties. Except as otherwise set forth in this Article III, the Claims are being transferred in "as is" condition and Seller expressly disclaims and does not make any warranties, guarantees, promises, or representations of any kind whatsoever regarding the Claims, including, but not limited to: (i) the value of the Claims; and (ii) the anticipated recovery or timing of recovery on the Claims.

3.7 Termination of Representations and Warranties. The representations and warranties of Seller shall survive until the conclusion of the Chapter 11 Cases, whether it be under a chapter 11 plan, liquidation, dismissal, or otherwise, and shall be null and void ab initio and of no further force or effect upon such conclusion of the Chapter 11 Cases.

3.8 No Fiduciary or Confidential Relationship. Seller acknowledges that Seller and Buyers are not in a fiduciary, confidential, agency or otherwise special relationship, including one of trust, confidence or privity, and that Seller and Buyers are each acting for their own self-interest.

3.9 Information. Seller further acknowledges that Buyers may possess material information not known to it. Aside from representations, warranties or covenants contained herein, Seller agrees that Buyers shall have no liability with respect to the non-disclosure of any such information.

3.10 Information Provided to Buyers. Seller has to the best of its knowledge provided to Buyers all material, non-privileged information within its possession about the Claims and all such information, to the best of its information, is true, correct and complete. To the best of its knowledge, Seller has also provided to Buyers originals or true, accurate and complete copies of all material, non-privileged documents in its possession relating to the Claims. Although Seller has no reason to doubt the truth, accuracy or completeness of the information provided directly by Buyers to Seller relating to the Claims, Seller has not undertaken any investigation as to the truth, accuracy or completeness of such information.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES OF BUYERS

Buyers represents and warrants to Seller as follows:

4.1 Authority of Buyers. Buyers have the requisite power and authority to purchase the Claims from Seller, execute and deliver this Agreement, and to perform the transactions contemplated hereby or thereby.

4.2 Due Execution; Validly Binding. This Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding obligation of the Buyers, enforceable against them in accordance with their terms except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general and subject to general principles of equity.

4.3 No Litigation. There is no suit, action, litigation or other proceeding or governmental or administrative investigation or inquiry, pending or threatened, against any of the Buyers that could prevent or prohibit any of the Buyers from purchasing the Claims or from otherwise complying in full with the provisions of this Agreement.

4.4 Independent Investigation. Buyers acknowledge that it has conducted their own independent evaluation of the transactions contemplated under this Agreement. Buyers further acknowledge that they have had an opportunity to conduct their own independent investigation regarding the Litigation Assets, the possibility of a settlement, and the Claims. Buyers have had an opportunity to review the documents and information available through publicly available sources of information.

4.5 No Reliance. Buyers have decided to enter into this Agreement and undertake the transactions contemplated hereunder solely in reliance on their own evaluation, based on such information as they have deemed appropriate under the circumstances. With the exception of any representations, warranties and covenants set forth in this Agreement, Buyers acknowledge that they are (i) purchasing the Claims in "as is" condition, (ii) not relying on (x) any information provided to Buyers or written or oral representations, whether express or implied, by Seller or its agents or affiliates. Aside from representations, warranties or covenants contained herein, Buyers acknowledge that Seller expressly disclaims and has not made any warranties, guarantees, promises, or representations of any kind whatsoever regarding the Claims, including, but not limited to: (i) the value of the Claims, and (ii) the anticipated recovery and/or timing of recovery on the Claims.

4.6 Information. Buyers further acknowledges that Seller may possess material information not known to it. Aside from representations, warranties or covenants contained herein, Buyers agree that Seller shall have no liability with respect to the non-disclosure of any such information.

4.7 Expectation of Return. Buyers understand that Buyers' recovery on the Claims may or may not exceed the Purchase Price.

4.8 No Fiduciary or Confidential Relationship. Buyers acknowledge that Buyers and Seller are not in a fiduciary, confidential, agency or otherwise special relationship, including one of trust, confidence or privity, and that Seller and Buyers are each acting for their own self-interest.

4.9 Termination of Representations and Warranties. The representations and warranties of Buyers shall survive until the conclusion of the Chapter 11 Cases, whether it be under a chapter 11 plan, liquidation, dismissal, or otherwise, and shall be null and void ab initio and of no further force or effect upon such conclusion of the Chapter 11 Cases.

## **ARTICLE V**

### **COVENANTS OF SELLER**

Seller covenants to Buyers as follows:

5.1 Waiver of Claims. To the maximum extent permitted by law, Seller will not assert and hereby waives any and all claims against each of the Buyers or any of their members, officers, directors, employees, agents or affiliates with respect to this Agreement, the Assignments or the transactions contemplated hereby or thereby based on any claims that: (i) Buyers had superior or additional information material to a decision to sell or buy the Claims; (ii) Buyers made warranties or representations, expressed or implied, not contained in this Agreement, or (iii) the Claims' value and scope exceeds the Purchase Price. For the avoidance of doubt, the foregoing shall not be deemed to be a waiver of any representation or warranty expressly set forth herein.

5.2 Covenant Not to Sue. Seller will not commence or maintain any suit thereon against any of the Buyers or any of their shareholders, officers, directors, employees, agents or affiliates with respect to this Agreement, or the transactions contemplated hereby, whether at law or in equity, based on any claim that: (i) Buyers had superior or additional information material to a decision to sell or buy the Claims; (ii) Buyers made warranties or representations, expressed or implied, not contained in this Agreement; or (iii) the Claims' value and scope exceeds the Purchase Price. For the avoidance of doubt, the foregoing shall not be deemed to be a waiver of any representation or warranty expressly set forth herein.

5.3 Limited Power of Attorney to File and Pursue Claims. Seller hereby irrevocably appoints the Buyers as its true and lawful attorneys-in-fact and authorizes Buyers to take all actions reasonably necessary to file and enforce the Claims in Seller's name, place and stead, and to act to demand, sue for, compromise and recover all such amounts which are, or may hereafter become, due and payable for or on account of the Claims sold, transferred, and assigned to Buyers pursuant to this Agreement including, without limitation, the ability to receive, endorse, and deposit distribution checks relating to the Claims, and to do all things necessary to enforce the Claims or any portion thereof and Seller's rights hereunder or thereunder or relate hereto or thereto. Seller agrees that the powers granted by this paragraph are discretionary and that Buyers may exercise or decline to exercise such powers at Buyers' sole option. Buyers shall have no obligation to take any action to prove or defend the validity or amount of any Claims in any litigation (including the Litigation Assets) or bankruptcy case. Seller agrees that it shall take no action whatsoever in respect of or in connection with the Claims or any portion thereof without Buyers' express written consent, unless such action is expressly contemplated by this Agreement. Buyers shall have the right, in its sole discretion, to object to and/or opt out of the Litigation Assets and to pursue an individual action in connection with the Claims. Notwithstanding the foregoing, Buyers acknowledge that it is only authorized to use any power or attorney for the purposes set forth above.

## ARTICLE VI

### COVENANTS OF BUYERS

6.1 Waiver of Claims. To the maximum extent permitted by law, none of the Buyers will assert and each Buyer hereby waives any and all claims against Seller or any of its members, officers, directors, employees, agents or affiliates with respect to this Agreement, the Assignments or the transactions contemplated hereby or thereby based on any claims that: (i) Seller had superior or additional information material to a decision to sell or buy the Claims; (ii) Seller made warranties or representations, expressed or implied, not contained in this Agreement, or (iii) the Claims' value and scope exceeds the Purchase Price. For the avoidance of doubt, the foregoing shall not be deemed to be a waiver of any representation or warranty expressly set forth herein.

6.2 Covenant Not to Sue. None of the Buyers will commence or maintain any suit thereon against Seller or any of its shareholders, officers, directors, employees, agents or affiliates with respect to this Agreement, or the transactions contemplated hereby, whether at law or in equity, based on any claim that: (i) Seller had superior or additional information material to a decision to sell or buy the Claims; (ii)

Seller made warranties or representations, expressed or implied, not contained in this Agreement; or (iii) the Purchase Price exceeds the Claims' value and scope. For the avoidance of doubt, the foregoing shall not be deemed to be a waiver of any representation or warranty expressly set forth herein.

## ARTICLE VII

### GENERAL

7.1 Severability. In the event that any provision herein becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.

7.2 Entire Agreement. This Agreement represents the entire agreement and understanding between the Parties regarding the sale and purchase of the Claims and supercedes any and all prior representations, warranties, agreements and understandings, whether written or oral, concerning the sale and/or purchase of the Claims.

7.3 No Oral Modification. This Agreement may only be amended in writing signed by both Parties.

7.4 Assignment. No Party may assign this Agreement or any of its rights or interests under this Agreement, or delegate any of its obligations under this Agreement, without the prior written consent of the other Party, which consent may be withheld in such other Party's sole and absolute discretion, and any attempt to do so shall be void; *provided, however*, that without Seller's consent: (i) each of the Buyers shall be entitled to designate one or more Affiliates of a Buyer (or collectively of the Buyers) to be a Buyer to purchase the Claims, which Affiliate(s) shall have delivered Seller an executed counterpart to this Agreement, and (ii) following the Closing, each Buyer shall be entitled to assign their rights and obligations under this Agreement to any third party, provided that each Buyer shall, following such assignment, remain jointly and severally liable with any such assignee for all of Buyer's obligations under this Agreement. In the event the other Party consents to any assignment requiring consent under this section, such assignment shall not relieve the assigning Party of any obligations and responsibilities hereunder.

7.5 Jury Trial Waiver. The Parties hereby irrevocably and knowingly waive to the fullest extent permitted by law any right to a trial by jury in any action or proceeding arising out of this Agreement. The Parties agree that any such action or proceeding shall be tried before a court and not a jury. In the event the Parties' waiver of a trial by jury is deemed invalid, the Parties hereby agree that any action or claim arising out of any dispute in connection with this agreement, any rights, remedies, obligations, or duties hereunder, or the performance or enforcement hereof or thereof shall be determined by judicial reference.

7.6 Governing Law; Forum. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflict of law rules, principles or provisions of such state or of other state. The Parties hereby agree that any action or claim arising out of any dispute in connection with this Agreement, any rights, remedies, obligations, or duties hereunder, or the performance or enforcement hereof or thereof shall be subject to the exclusive jurisdiction of the Bankruptcy Court.

7.7 Headings. Section headings are for convenient reference only and will not affect the meaning or have any bearing on the interpretation of any provision of this Agreement.

7.8 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

7.9 Voluntary Execution of Agreement. This Agreement is executed voluntarily and without any duress or undue influence on the part or on behalf of the Parties hereto.

7.10 Notices. All notices, requests, demands or any other communication made under, pursuant to, or in accordance with this Agreement, except for normal day-to-day business communications, which may be made orally or in a writing, shall be in writing and shall either be delivered personally or deposited in the United States mail and sent by first-class mail, certified, return receipt requested, postage prepaid and addressed properly as follows:

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>If to Buyers:</p> <p>MacKay Shields LLC<br/>229 Park Avenue, 32<sup>nd</sup> Floor<br/>New York, New York 10171<br/>Attention: Dohyun Cha, with copy to Young Lee<br/>Email: dohyun.cha@mackayshields.com;<br/>young.lee@mackayshields.com</p> <p>Corre Opportunities Management, LLC<br/>12 East 49th Street, 40<sup>th</sup> Floor<br/>New York, NY 10017<br/>Attention: Operations Manager<br/>Email: operations@correpartners.com</p> <p>Concise Capital Management, LP<br/>777 Brickell Avenue, Suite 630<br/>Miami, Florida 33131<br/>Attention: Veronica De Candido<br/>Email: vdecandido@concisecapital.com</p> <p>With a copy to:</p> <p>Faegre Drinker Biddle &amp; Reath LLP<br/>1177 Avenue of the Americas, 38<sup>th</sup> Floor<br/>New York, New York 10036<br/>Attention: James H. Millar<br/>Email: james.millar@faegredrinker.com</p> | <p>If to Seller:</p> <p>PetroQuest Energy, L.L.C.<br/>400 E. Kaliste Saloom Road, Suite 6000<br/>Lafayette, Louisiana 70508<br/>Attention: Jeremy Stillings<br/>Email: jstillings@petroquest.com</p> <p>With a copy to:</p> <p>Cole Schotz P.C.<br/>1325 Avenue of the Americas, 19th Floor<br/>New York, NY 10019<br/>Attention: Daniel Geoghan, Jacob Frumkin and Daniel Harris<br/>Email: dgeoghan@coleschotz.com;<br/>jfrumkin@coleschotz.com;<br/>dharris@coleschotz.com</p> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

or to such other address(es) as a Party hereto may indicate to the other Party in the manner provided for herein. Notices given by mail shall be deemed effective and complete forty-eight (48) hours following the time of posting and mailing, and notices delivered personally shall be deemed effective and complete at the time of delivery of obtaining of a signed receipt.

[SIGNATURE PAGE FOLLOWS]

**SELLER:**

**PETROQUEST ENERGY, L.L.C.**

By: Angelle Perret  
Name: Angelle Perret  
Title: CFO & Treasurer

IN WITNESS WHEREOF, Buyers have executed this Agreement as of the Execution Date.

**BUYERS:**

**NYLI MACKAY HIGH YIELD CORPORATE BOND FUND, as a Buyer**

By: MacKay Shields LLC, as investment subadvisor

By:   
Name: Andrew Susser  
Title: Executive Managing Director

**NYLI VP MACKAY HIGH YIELD CORPORATE BOND PORTFOLIO, as a Buyer**

By: MacKay Shields LLC, as investment subadvisor

By:   
Name: Andrew Susser  
Title: Executive Managing Director

**NYLI MACKAY SHORT DURATION HIGH INCOME FUND, as a Buyer**

By: MacKay Shields LLC, as investment subadvisor

By:   
Name: Andrew Susser  
Title: Executive Managing Director

IN WITNESS WHEREOF, Buyers have executed this Agreement as of the Execution Date.

**BUYERS (continued):**

**CORRE OPPORTUNITIES QUALIFIED MASTER  
FUND, LP, as a Buyer**

By: Eric Soderlund  
Name: Eric Soderlund  
Title: Authorized Signatory

**CORRE HORIZON FUND, LP, as a Buyer**

By: Eric Soderlund  
Name: Eric Soderlund  
Title: Authorized Signatory

IN WITNESS WHEREOF, Buyers have executed this Agreement as of the Execution Date.

**BUYERS (continued):**

**CONCISE SHORT TERM HIGH YIELD MASTER  
FUND SPC, as a Buyer**

By:   
Name: Thomas Krasner  
Title: Portfolio Manager

**MERCER QIF FUND PLC – MERCER INVESTMENT  
FUND 1, as a Buyer**

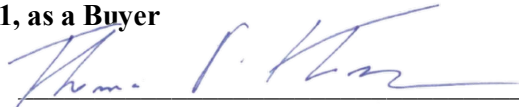
By:   
Name: Thomas Krasner  
Title: Portfolio Manager

**EXHIBIT A**

**NOTICE OF ASSIGNMENT – SANARE JUDGMENT**

## NOTICE OF ASSIGNMENT

To: [●]

We hereby give notice that pursuant to that certain Asset Purchase Agreement dated June 5, 2025 (the “**APA**”), between PetroQuest Energy, L.L.C. (the “**Seller**”) on the one hand, and NYLI MACKAY HIGH YIELD CORPORATE BOND FUND, as a Buyer, NYLI VP ACKAY HIGH YIELD CORPORATE BOND PORTFOLIO, as a Buyer, NYLI MACKAY SHORT DURATION HIGH INCOME FUND, as a Buyer, CORRE OPPORTUNITIES QUALIFIED MASTER FUND, LP, as a Buyer, CORRE HORIZON FUND, LP, as a Buyer, CONCISE SHORT TERM HIGH YIELD MASTER FUND, SPC, as a Buyer, MERCER QIF FUND PLC – MERCER INVESTMENT FUND 1, as a Buyer (collectively, the “**Buyers**”), on the other hand, and the order of the United States Bankruptcy Court for the District of Delaware in Case No. 24-12609 dated [●, 2025] approving the APA [D.I. No. ●], Seller has absolutely and unconditionally transferred and assigned to Buyers all of Seller’s right, title and interest in and to or associated with, or connected in any manner to, any claim against and settlement arising from the litigation styled *Sanare Energy Partners, LLC v. PetroQuest Energy, L.L.C., et al. (In re PetroQuest Energy, Inc.)*, Case No. 18-36322, Adv. No. 19-03329 (Bankr. S.D. Tex.) (such action, together with all other actions in any forum constituting a reformation of the causes of action therein or in which the same claims are alleged, the “**Litigation**”) (the “**Claim**”). The rights assigned by the Seller to Buyers include, but are not limited to, the right to (1) file, modify, compromise or amend the Claim in connection with the Litigation; (2) communicate and receive communications from the court, counsel or other interested parties with respect to the Litigation; (3) receive any settlement or recoveries in connection with the Claim and the Litigation; and (4) to challenge and negotiate the amount of funds to be paid to Buyers in connection with the Claim and the Litigation. Buyers are now the legal and equitable owners of all rights associated with the Claim. You should deal directly with Buyers, their assignees and/or their duly appointed agents on all matters pertaining to the Claim and the Litigation. Further, in accordance with the assignment of the Claim to Buyers, any and all correspondence or notices in connection to payments relating to the Claim and the Litigation should be sent to the following addresses:

MacKay Shields LLC  
229 Park Avenue, 32<sup>nd</sup> Floor  
New York, New York 10171  
Attention: Dohyun Cha, with copy to Young Lee  
Email: dohyun.cha@mackayshields.com; young.lee@mackayshields.com

Corre Opportunities Management, LLC  
12 East 49th Street, 40<sup>th</sup> Floor  
New York, NY 10017  
Attention: Operations Manager  
Email: operations@correpartners.com

Concise Capital Management, LP  
777 Brickell Avenue, Suite 630  
Miami, Florida 33131  
Attention: Veronica De Candido  
Email: vdecandido@concisecapital.com

With a copy to:

Faegre Drinker Biddle & Reath LLP  
1177 Avenue of the Americas, 38<sup>th</sup> Floor

New York, New York 10036  
Attention: James H. Millar  
Email: james.millar@faegredrinker.com

Moreover, any and all correspondence, documents or any other communications pertaining to the Claim and the Litigation should be directed to Buyers at the above address.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2025.

**SELLER:**

**PETROQUEST ENERGY, L.L.C.**

By: \_\_\_\_\_  
Name: Angelle Perret  
Title: CFO & Treasurer

**EXHIBIT B**

**NOTICE OF ASSIGNMENT – VERMILION CLAIM**

## NOTICE OF ASSIGNMENT

To: [●]

We hereby give notice that pursuant to that certain Asset Purchase Agreement dated June 5, 2025 (the “**APA**”), between PetroQuest Energy, L.L.C. (the “**Seller**”) on the one hand, and NYLI MACKAY HIGH YIELD CORPORATE BOND FUND, as a Buyer, NYLI VP ACKAY HIGH YIELD CORPORATE BOND PORTFOLIO, as a Buyer, NYLI MACKAY SHORT DURATION HIGH INCOME FUND, as a Buyer, CORRE OPPORTUNITIES QUALIFIED MASTER FUND, LP, as a Buyer, CORRE HORIZON FUND, LP, as a Buyer, CONCISE SHORT TERM HIGH YIELD MASTER FUND, SPC, as a Buyer, MERCER QIF FUND PLC – MERCER INVESTMENT FUND 1, as a Buyer (collectively, the “**Buyers**”), on the other hand, and the order of the United States Bankruptcy Court for the District of Delaware in Case No. 24-12609 dated [●, 2025] approving the APA [D.I. No. ●], Seller has absolutely and unconditionally transferred and assigned to Buyers all of Seller’s right, title and interest in and to or associated with, or connected in any manner to, any claim against and settlement arising from the litigation styled *PetroQuest Energy, L.L.C. v. Vermilion Holdings 26 LLC et al.*, Docket No. C-112353 (15th Judicial Dist. Ct., Parish of Vermilion, La.) (such action, together with all other actions in any forum constituting a reformation of the causes of action therein or in which the same claims are alleged, the “**Litigation**”) (the “**Claim**”). The rights assigned by the Seller to Buyers include, but are not limited to, the right to (1) file, modify, compromise or amend the Claim in connection with the Litigation; (2) communicate and receive communications from the court, counsel or other interested parties with respect to the Litigation; (3) receive any settlement or recoveries in connection with the Claim and the Litigation; and (4) to challenge and negotiate the amount of funds to be paid to Buyers in connection with the Claim and the Litigation. Buyers are now the legal and equitable owners of all rights associated with the Claim. You should deal directly with Buyers, their assignees and/or their duly appointed agents on all matters pertaining to the Claim and the Litigation. Further, in accordance with the assignment of the Claim to Buyers, any and all correspondence or notices in connection to payments relating to the Claim and the Litigation should be sent to the following addresses:

MacKay Shields LLC  
229 Park Avenue, 32<sup>nd</sup> Floor  
New York, New York 10171  
Attention: Dohyun Cha, with copy to Young Lee  
Email: dohyun.cha@mackayshields.com; young.lee@mackayshields.com

Corre Opportunities Management, LLC  
12 East 49th Street, 40<sup>th</sup> Floor  
New York, NY 10017  
Attention: Operations Manager  
Email: operations@correpartners.com

Concise Capital Management, LP  
777 Brickell Avenue, Suite 630  
Miami, Florida 33131  
Attention: Veronica De Candido  
Email: vdecandido@concisecapital.com

With a copy to:

Faegre Drinker Biddle & Reath LLP  
1177 Avenue of the Americas, 38<sup>th</sup> Floor

New York, New York 10036  
Attention: James H. Millar  
Email: james.millar@faegredrinker.com

Moreover, any and all correspondence, documents or any other communications pertaining to the Claim and the Litigation should be directed to Buyers at the above address.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2025.

**SELLER:**

**PETROQUEST ENERGY, L.L.C.**

By: \_\_\_\_\_  
Name: Angelle Perret  
Title: CFO & Treasurer

**EXHIBIT C**

**NOTICE OF ASSIGNMENT – BANKS CLAIM**

## NOTICE OF ASSIGNMENT

To: [●]

We hereby give notice that pursuant to that certain Asset Purchase Agreement dated June 5, 2025 (the “**APA**”), between PetroQuest Energy, L.L.C. (the “**Seller**”) on the one hand, and NYLI MACKAY HIGH YIELD CORPORATE BOND FUND, as a Buyer, NYLI VP ACKAY HIGH YIELD CORPORATE BOND PORTFOLIO, as a Buyer, NYLI MACKAY SHORT DURATION HIGH INCOME FUND, as a Buyer, CORRE OPPORTUNITIES QUALIFIED MASTER FUND, LP, as a Buyer, CORRE HORIZON FUND, LP, as a Buyer, CONCISE SHORT TERM HIGH YIELD MASTER FUND, SPC, as a Buyer, MERCER QIF FUND PLC – MERCER INVESTMENT FUND 1, as a Buyer (collectively, the “**Buyers**”), on the other hand, and the order of the United States Bankruptcy Court for the District of Delaware in Case No. 24-12609 dated [●, 2025] approving the APA [D.I. No. ●], Seller has absolutely and unconditionally transferred and assigned to Buyers all of Seller’s right, title and interest in and to or associated with, or connected in any manner to, any claim against and settlement arising from the claim filed by Seller in the probate proceeding of Samuel Lide Banks (“**Banks**”), styled *PetroQuest Energy, L.L.C., v. Adriana L. Banks Monroe, Independent Executor (In the Estate of Samuel Lide Banks, Deceased)*, Cause No. 490823-402 (Prob. Ct. No. 2, Harris Cty., Tex.) (such action, together with all other actions in any forum constituting a reformation of the causes of action therein or in which the same claims are alleged, the “**Litigation**”) (the “**Claim**”). The rights assigned by the Seller to Buyers include, but are not limited to, the right to (1) file, modify, compromise or amend the Claim in connection with the Litigation; (2) communicate and receive communications from the court, counsel or other interested parties with respect to the Litigation; (3) receive any settlement or recoveries in connection with the Claim and the Litigation; and (4) to challenge and negotiate the amount of funds to be paid to Buyers in connection with the Claim and the Litigation. Buyers are now the legal and equitable owners of all rights associated with the Claim. You should deal directly with Buyers, their assignees and/or their duly appointed agents on all matters pertaining to the Claim and the Litigation. Further, in accordance with the assignment of the Claim to Buyers, any and all correspondence or notices in connection to payments relating to the Claim and the Litigation should be sent to the following addresses:

MacKay Shields LLC  
229 Park Avenue, 32<sup>nd</sup> Floor  
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Attention: Dohyun Cha, with copy to Young Lee  
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12 East 49th Street, 40<sup>th</sup> Floor  
New York, NY 10017  
Attention: Operations Manager  
Email: operations@correpartners.com

Concise Capital Management, LP  
777 Brickell Avenue, Suite 630  
Miami, Florida 33131  
Attention: Veronica De Candido  
Email: vdecandido@concisecapital.com

With a copy to:

Faegre Drinker Biddle & Reath LLP

1177 Avenue of the Americas, 38<sup>th</sup> Floor  
New York, New York 10036  
Attention: James H. Millar  
Email: james.millar@faegredrinker.com

Moreover, any and all correspondence, documents or any other communications pertaining to the Claim and the Litigation should be directed to Buyers at the above address.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2025.

**SELLER:**

**PETROQUEST ENERGY, L.L.C.**

By: \_\_\_\_\_  
Name: Angelle Perret  
Title: CFO & Treasurer

**EXHIBIT D****PRO RATA PERCENTAGE OF CREDIT BID**

| <b><u>Buyer</u></b>                                | <b><u>Percentage</u></b> |
|----------------------------------------------------|--------------------------|
| NYLI MACKAY HIGH YIELD CORPORATE BOND FUND         | 33.80%                   |
| NYLI VP MACKAY HIGH YIELD CORPORATE BOND PORTFOLIO | 8.30%                    |
| NYLI MACKAY SHORT DURATION HIGH INCOME FUND        | 7.90%                    |
| CORRE OPPORTUNITIES QUALIFIED MASTER FUND, LP      | 24.57%                   |
| CORRE HORIZON FUND, LP                             | 5.43%                    |
| CONCISE SHORT TERM HIGH YIELD MASTER FUND, SPC     | 7.50%                    |
| MERCER QIF FUND PLC – MERCER INVESTMENT FUND 1     | 12.50%                   |