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

In re:	§	**Case No. 26-90338 (CML)**
	§	
AXIP ENERGY SERVICES, LP, *et al.*,	§	**(Chapter 11)**
	§	
Debtors.[1]	§	**(Jointly Administered)**
	§	

NOTICE OF FILING OF EXHIBIT A TO DEBTORS' COMBINED DISCLOSURE STATEMENT AND CHAPTER 11 PLAN OF LIQUIDATION

PLEASE TAKE NOTICE that, on February 22, 2026, the above-captioned debtors and debtors in possession (collectively, the "***Debtors***") filed the above-captioned chapter 11 cases in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "***Court***").

PLEASE TAKE FURTHER NOTICE that, on May 6, 2026, the Debtors filed the *Debtors' Combined Disclosure Statement and Chapter 11 Plan of Liquidation* [Docket No. 338] (the "***Combined Disclosure Statement and Plan***") and the *Debtors' Emergency Motion for Entry of an Order (I) Scheduling a Combined Hearing; (II) Establishing Objection Deadlines; (III) Approving the Solicitation Materials and Tabulation Procedures; (IV) Conditionally Approving the Combined Disclosure Statement and Plan; and (V) Granting Related Relief* [Docket No. 339] (the "***Disclosure Statement Motion***").

PLEASE TAKE FURTHER NOTICE that the Debtors hereby file the following exhibit to the Combined Disclosure Statement and Plan:

Exhibit A – Liquidation Analysis

PLEASE TAKE FURTHER NOTICE that the Court has scheduled a hearing to consider the relief requested in the Disclosure Statement Motion on **May 15, 2026, at 11:00 a.m. (prevailing Central Time)**, before the Honorable Christopher M. Lopez at the United States Bankruptcy Court for the Southern District of Texas, Courtroom 402, 515 Rusk Street, Houston, Texas 77002. The Court will use both audio and video communication. Audio communication will be by use of the Court's dial-in facility. You may access the facility at 832-917-1510. Once connected, you will be asked to enter the conference room number. Judge Lopez's conference room number is 590153. Video communication will be by use of the GoToMeeting platform. Connect via the free GoToMeeting application or click the link on Judge Lopez's homepage. The meeting code is

[1] The Debtors in these Chapter 11 Cases and the last four digits of their respective federal tax identification numbers are: Axip Energy Services, LP (9220); Axip Energy Services Management, LLC (9986); Axip Holdings, LLC (6302); Axip Leasing Company, LLC (5678); Axip Producer Services - Marcellus I, LLC (3312); Axip Producer Services, LLC (4792); and E3 Compression Holdings LLC (0825). The location of the Debtors' corporate headquarters is: 1221 McKinney, Suite 3175, Houston, Texas 77010.

"JudgeLopez." Click the settings icon in the upper right corner and enter your name under the personal information setting.

PLEASE TAKE FURTHER NOTICE that copies of the Combined Disclosure Statement and Plan, the Disclosure Statement Motion, the Liquidation Analysis, and all other documents filed in these chapter 11 cases are available free of charge by: (a) visiting the Debtors' restructuring website at https://dm.epiq11.com/AXIP and/or (b) by calling (877) 741-6428 toll free or (503) 713-6160 if calling from outside the U.S.

Dated: May 14, 2026
Houston, Texas

/s/ Paul E. Heath

VINSON & ELKINS LLP
Paul E. Heath (TX 09355050)
Matthew J. Pyeatt (TX 24086609)
Trevor G. Spears (TX 24106681)
845 Texas Avenue, Suite 4700
Houston, Texas 77002
Tel: 713.758.2222
Fax: 713.758.2346
Email: pheath@velaw.com
mpyeatt@velaw.com
tspears@velaw.com

-and-

David S. Meyer (admitted *pro hac vice*)
Jessica C. Peet (admitted *pro hac vice*)
1114 Avenue of the Americas, 32nd Floor
New York, New York 10036
Tel: 212.237.0000
Fax: 212.237.0100
Email: dmeyer@velaw.com
jpeet@velaw.com

Counsel to the Debtors and Debtors in Possession

CERTIFICATE OF SERVICE

I certify that on May 14, 2026, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Matthew J. Pyeatt
One of Counsel

EXHIBIT A

Liquidation Analysis

<u>Exhibit A</u>

Liquidation Analysis[1]

Introduction

The "best interests" test, section 1129(a)(7) of the Bankruptcy Code, requires the Bankruptcy Court to find, as a condition to confirmation of the Combined Disclosure Statement and Plan, that each Holder of a Claim or Interest in each Class that is Impaired (an "***Impaired Class***," and each Holder of a Claim or Interest in such Classes, a "***Holder of an Impaired Claim or Interest***") has either (a) voted to accept the Combined Disclosure Statement and Plan or (b) received or retained under the Combined Disclosure Statement and Plan property of a value that is not less than the amount such Holder would receive or retain in a hypothetical liquidation under chapter 7 of the Bankruptcy Code (the "***Liquidation Analysis***").

The Debtors, with the assistance of their restructuring advisor, Ankura Consulting Group, LLC, and other advisors, prepared the Liquidation Analysis to include: (a) estimated cash proceeds that a chapter 7 trustee (the "***Trustee***") would generate if the Debtors' Chapter 11 Cases were converted to chapter 7 cases on the assumed Conversion Date (as defined below) and the remaining Assets of the Debtors' Estates were liquidated under chapter 7 of the Bankruptcy Code; (b) estimated distributions that each Holder of an Impaired Claim or Interest would receive from the liquidation proceeds under the Combined Disclosure Statement and Plan; and (c) a comparison of the estimated distribution and recovery that each Holder of an Impaired Claim or Interest would receive under a chapter 7 liquidation to the distribution and recovery under the Combined Disclosure Statement and Plan.

The Liquidation Analysis is based upon certain assumptions, and, as such, certain aspects may be different from those represented in the Combined Disclosure Statement and Plan. The Liquidation Analysis should be read in conjunction with the Combined Disclosure Statement and Plan.

Statement of Limitations

The Liquidation Analysis was prepared for the sole purpose of assisting the Bankruptcy Court and Holders of Impaired Claims or Interests in making the determination described above and should not be used for any other purpose.

The determination of the hypothetical proceeds, and costs of the liquidation of the Debtors' Assets, is an uncertain process involving the use of estimates and assumptions that, although considered reasonable by the Debtors, are inherently subject to significant business and economic uncertainties and contingencies beyond the control of the Debtors, their management, and their advisors. Inevitably, some assumptions in the Liquidation Analysis would not materialize in an actual chapter 7 liquidation, and unanticipated events and circumstances could affect the ultimate results. The Debtors prepared the Liquidation Analysis for the sole purpose of producing a reasonable, good-faith estimate of the proceeds that would be generated if the Debtors were liquidated in accordance with chapter 7 of the Bankruptcy Code after conversion of the Chapter 11 Cases. The underlying financial information in the Liquidation Analysis was not compiled or examined by any independent accountants. No independent appraisals were conducted in

[1] All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Combined Disclosure Statement and Plan

preparing the Liquidation Analysis. Additionally, the Debtors have not estimated, and the Liquidation Analysis does not take into account: (a) the tax consequences that may result from the liquidation of the Debtors' Assets under chapter 7 of the Bankruptcy Code; and (b) the avoidance of any prepetition liens and recoveries resulting from any potential preference, fraudulent transfer, or other litigation or avoidance actions.

ACCORDINGLY, WHILE DEEMED REASONABLE BASED ON THE FACTS CURRENTLY AVAILABLE, NEITHER THE DEBTORS NOR THEIR PROFESSIONALS MAKE ANY REPRESENTATION OR WARRANTY THAT THE ACTUAL RESULTS WOULD OR WOULD NOT APPROXIMATE THE ESTIMATES AND ASSUMPTIONS REPRESENTED IN THE LIQUIDATION ANALYSIS. ACTUAL RESULTS COULD VARY MATERIALLY.

In preparing the Liquidation Analysis, the Debtors estimated Allowed Claims based upon a review of Claims listed on the Debtors' Schedules of Assets and Liabilities and Proofs of Claim that have been filed. In addition, the Liquidation Analysis includes estimates for Claims that are not currently asserted in the Chapter 11 Cases or that are currently contingent, which may or may not be asserted and Allowed in a chapter 7 liquidation. To date, the Bankruptcy Court has not estimated or otherwise fixed the total amount of Allowed Claims used for purposes of preparing the Liquidation Analysis.

Therefore, the Debtors' estimate of Allowed Claims set forth in the Liquidation Analysis should not be relied on for any other purpose, including determining the value of any distribution to be made on account of Allowed Claims and Interests under the Combined Disclosure Statement and Plan.

NOTHING CONTAINED IN THE LIQUIDATION ANALYSIS IS INTENDED TO BE OR CONSTITUTES A CONCESSION OR ADMISSION OF THE DEBTORS. THE ACTUAL AMOUNT OF ALLOWED CLAIMS IN THE CHAPTER 11 CASES COULD MATERIALLY DIFFER FROM THE ESTIMATED AMOUNTS SET FORTH IN THE LIQUIDATION ANALYSIS.

Basis of Presentation

The Debtors prepared the Liquidation Analysis assuming the Chapter 11 Cases are converted to cases under chapter 7 of the Bankruptcy Code on or about June 25, 2026 (the "***Conversion Date***"). The Debtors have assumed that the Conversion Date is a reasonable proxy for the anticipated Effective Date. The *pro forma* values referenced herein are projected as of the Conversion Date and utilize the Debtors' forecasted cash flow over the projection period to the assumed Conversion Date.

Unless otherwise specified, the Liquidation Analysis is based on the Debtors' remaining Assets as of the Conversion Date, and compares projected distributions under the Combined Disclosure Statement and Plan against those in a hypothetical chapter 7 liquidation.

The Debtors' Combined Disclosure Statement and Plan contemplates the appointment of a Plan Administrator to effectuate the reconciliation of Claims, distributions to Holders of Allowed Claims, and the winddown of the Estates after the Effective Date. As set forth in the Combined Disclosure Statement and Plan, substantially all of the Debtors' Assets were sold pursuant to the 363 Asset Sale. Pursuant to the Sale Order, the Debtors retained a portion of the Net Sale Proceeds resulting from the 363 Asset Sale as agreed between the Debtors, the Prepetition ABL Agent, and the Committee (the "***Holdback Amount***"). The Combined Disclosure Statement and Plan incorporates a Global Settlement by and among the Debtors, the Prepetition ABL Secured Parties, and the Committee. Under the terms of the Global Settlement, the Debtors, the Prepetition ABL Secured Parties, and the Committee agreed to utilize a portion of the Holdback Amount for distribution to the Holders of the Allowed General Unsecured Claims in an amount equal to the lesser of (a) $500,000 and (b) fifty-percent (50%) of the quantum of all Allowed General Unsecured Claims, subject to certain exclusions described in the Combined Disclosure Statement and Plan, to be implemented through the Combined Disclosure Statement and Plan. In addition, pursuant to the Global Settlement, in exchange for the other consideration provided thereunder, the Prepetition ABL Secured Parties have agreed to waive any deficiency claims.

The terms and features of the Global Settlement described above would not materialize in a chapter 7 scenario. Estate Assets would instead be utilized to fund the payment of Trustee fees, professional fees payable to attorneys, other professionals, and other persons engaged by the Trustee, and other Administrative Claims arising in the chapter 7 cases to fund the liquidation and wind-down of the Estates. As a result, the recoveries available to Holders of Impaired Claims or Interests would be reduced in chapter 7 as compared to chapter 11. The Global Settlement therefore represents a critical component of the Combined Disclosure Statement and Plan, as it provides for distributions to Holders of Allowed General Unsecured Claims that would not otherwise be available in a chapter 7 liquidation scenario.

In the event of a chapter 7 liquidation, on the Conversion Date, it is assumed that the Bankruptcy Court would appoint a Trustee to oversee the liquidation of the Debtors' Estates. Under section 704 of the Bankruptcy Code, a Trustee must, among other duties, collect and convert the property of the estate as expeditiously (generally in a distressed process) as is compatible with the best interests of parties-in-interest. Although it is expected that the Trustee would seek to accomplish a similar liquidation of the Debtors' remaining Assets, the Trustee would be incentivized to do so on an expedited timeline that may yield less proceeds as compared to a chapter 11 scenario. In addition, the Trustee would be required to address the disposition of certain offshore assets held by the Estates, complete the remaining obligations of the Estates and reconciliation steps under the Asset Purchase Agreement, and complete other wind-down tasks.

The liquidation of the Debtors' Estates is assumed to occur through the disposition of the Debtors' remaining Assets, and the Cash proceeds, net of liquidation-related costs, would then be distributed to creditors in accordance with applicable law, including, among other things: (a) fees due to the Trustee; (b) professional fees attributable to the liquidation and wind-down of the Estates; (c) expenses associated with the liquidation and wind-down of the Estates; (d) costs and expenses of other Administrative Claims that may arise in a chapter 7 liquidation; and (e) prepetition Claims.

In addition, in the event of a chapter 7 liquidation, it is possible that a chapter 7 liquidation would result in increased costs and expenses arising from fees payable to the Trustee and professional advisors to the Trustee. This Liquidation Analysis assumes that the Debtors' costs of liquidation under chapter 7 includes the fees payable to the Trustee as well as those fees that might be payable to attorneys and other professionals that the Trustee might separately engage. The foregoing types of Claims, costs, expenses, fees, and such other Claims that may arise in a liquidation case would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay prepetition priority, secured, and unsecured Claims, or available for distribution to the Holders of Interests.

Conclusion

The Liquidation Analysis demonstrates that each Holder of a Claim in an Impaired Class would receive a recovery under the Combined Disclosure Statement and Plan that is not less than the amount such Holder would receive under a hypothetical chapter 7 liquidation. Therefore, the "best interests" test described above has been met.

AXIP ENERGY SERVICES, LP et al.
Liquidation Analysis
Figures are in $000s

#		Recovery Value	
		Chapter 11	Chapter 7
Illustrative Estate Assets			
1.	Cash at Bank	$ 1,819	$ 1,819
	Total, Estate Assets	**$ 1,819**	**$ 1,819**
Illustrative Distribution			
	Administrative Expenses		
2.	Chapter 7 Trustee Fees	$ -	$ 71
3.	Professional Fees	363	852
4.	Winddown Costs	856	906
	Administrative Claims	-	-
	Total, Administrative Expenses	**$ 1,219**	**$ 1,828**
	Net Proceeds Available After Administrative Expenses	**$ 600**	**$ -**
	Secured Claims		
5.	DIP Financing	$ -	$ -
	Class 1 - Senior Priority Lien Claims	-	-
	Class 2 - Other Priority Claims	-	-
6.	Class 3 - Pre-Petition ABL Claims	100	-
7.	Class 4 - Pre-Petition 2L Claims	-	-
	Total, Secured Claims	**$ 100**	**$ -**
	Net Proceeds Available After Secured Claims	**$ 500**	**$ -**
	Unsecured Claims		
8.	Class 5 - General Unsecured Claims	$ 500	$ -
	Class 6 - Intercompany Claims	-	-
	Class 7 - Subordinated Claims	-	-
	Class 8 - Intercompany Interests	-	-
	Class 9 - E3 Holdings Interests	-	-
	Total, Unsecured Claims	**$ 500**	**$ -**
	Remaining Distributable Value After Unsecured Claims	**$ -**	**$ -**

Disclaimer: This Liquidation Analysis was prepared by Ankura Consulting Group, LLC as restructuring advisor to the Debtors, with the assistance their other advisors, solely for the purpose of demonstrating compliance with the 'best interests of creditors' test under the Bankruptcy Code. The Analysis is necessarily speculative and based on estimates and assumptions subject to significant uncertainty. The Debtors believe that any analysis of a hypothetical liquidation is inherently uncertain. There can be no assurance that actual results would not vary materially from those presented herein. THE DEBTORS MAKE NO REPRESENTATIONS OR WARRANTIES REGARDING THE ACCURACY OF THE ESTIMATES AND ASSUMPTIONS CONTAINED HEREIN. THE ESTIMATED AMOUNT OF ALLOWED CLAIMS SET FORTH HEREIN SHOULD NOT BE RELIED UPON FOR ANY OTHER PURPOSE. THE DEBTORS RESERVE ALL RIGHTS TO SUPPLEMENT, MODIFY, OR AMEND THIS ANALYSIS.

Notes:

General Assumption — This Liquidation Analysis reflects estimated asset recoveries and distributions as of the proposed effective date (June 25, 2026). The sale of substantially all assets has been consummated in both scenarios. Administrative Expenses shown in the analysis represent forward-looking obligations to be satisfied from available post-effective proceeds.

1. Cash at Bank — Estimated cash balance as of the proposed effective date calculated using budgeted weekly cash flows per the Cash Collateral Budget, Docket 342.

2. Chapter 7 Trustee Costs — Computed per Section 326(a) of the Bankruptcy Code on post-effective date disbursements.

3. Professional Fees — Estimated post-effective date professional fees through the completion of the wind-down, retained by the Plan Administrator in Chapter 11 and the Trustee in Chapter 7. The Chapter 7 amount reflects a premium above the Chapter 11 amount representing: (i) one-time conversion costs, including retention of legal and financial advisors; and (ii) inefficiencies arising from the absence of institutional knowledge of the estates, including the trustee's need to independently diligence post-closing APA obligations and unresolved offshore assets, resulting in duplicative diligence and extended administration timelines.

4. Wind-Down Costs — Estimated post-effective date administrative costs, including APA post-closing obligations, U.S. Trustee quarterly fees, Epiq post-closing fees, final tax returns, and entity dissolution. Chapter 7 wind-down costs would likely be higher than reflected, as a Chapter 7 trustee would need to independently diligence APA post-closing obligations and determine the treatment of offshore assets rather than abandoning them pursuant to the plan, making this assumption conservative.

5. DIP Financing — Repaid in full ($96.5M) on April 15, 2026 in connection with the closing of the Service Compression sale, inclusive of the Roll-Up Prepetition ABL Loans and Roll-Up Prepetition Super priority Obligations.

6. Class 3 — Prepetition ABL Claims — Chapter 11 recovery reflects the distribution to Prepetition ABL as provided in the Combined Disclosure Statement and Plan, Docket 339. Chapter 7 reflects nil recovery as available proceeds are fully exhausted by Administrative Expenses prior to any distribution to secured creditors. $35.1M was repaid on April 15, 2026 in connection with the closing of the Service Compression sale.

7. Class 4 — Prepetition 2L Claims — No recovery in either scenario. Since petition date, $950K in total payments have been made pursuant to the settlement under the DIP Financing Order.

8. Class 5 — General Unsecured Claims — Chapter 11 recovery reflects the UCC settlement, equal to the lesser of 50% of claims or $500K. Chapter 7 reflects $0 recovery as all proceeds are exhausted before reaching unsecured creditors.