

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

In re:

**KCS ENERGY, INC., PROLIQ, INC., KCS ENERGY MARKETING, INC., KCS RESOURCES, INC. A/K/A KCS MOUNTAIN RESOURCES, INC., KCS MEDALLION RESOURCES, INC., MEDALLION CALIFORNIA PROPERTIES, INC., MEDALLION GAS SERVICES, INC., KCS ENERGY SERVICES, INC., KCS MICHIGAN RESOURCES, INC. AND NATIONAL ENERDRILL CORP.,**

Debtors.

Chapter 11

Case No. 00-0028 (PJW) and  
Case Nos. 00-0310 (PJW) through  
00-0318 (PJW)

JOINTLY ADMINISTERED

**BALLOT FOR ACCEPTING OR REJECTING  
DEBTORS' THIRD AMENDED JOINT PLAN OF REORGANIZATION  
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

**BALLOT FOR VOTING GENERAL UNSECURED CLAIMS  
(Class 6)**

This Ballot is for holders of General Unsecured Claims as of October 20, 2000 (the "Voting Record Date") in the above captioned Chapter 11 cases of KCS Energy, Inc. and its affiliates listed above (collectively, the "Debtors"). General Unsecured Claims are defined in Debtors' Third Amended Joint Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code, dated October 20, 2000 (the "Debtors' Plan"), and generally include unsecured claims against the Debtors that arose prior to January 18, 2000 other than claims of certain noteholders. The Debtors' Plan is annexed as Exhibit "A" to the Fourth Amended Disclosure Statement for Debtors' Third Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, dated October 20, 2000 (the "Debtors' Disclosure Statement"), which accompanies this Ballot. The Ballot is to be used to vote to accept or reject the Debtors' Plan. General Unsecured Claims are placed in Class 6 in the Debtors' Plan. Before voting on the Debtors' Plan, please carefully review the Debtors' Plan and the Debtors' Disclosure Statement in their entirety. Information regarding voting procedures is set forth in Sections II and XI of the Debtors' Disclosure Statement.

DEBTORS' CLASS 6 BALLOT

**IMPORTANT**

IN ORDER FOR YOUR VOTE TO BE COUNTED, YOUR VOTE MUST BE RECEIVED BY THE VOTING AGENT BEFORE THE **VOTING DEADLINE OF 10:00 P.M., EASTERN TIME, ON JANUARY 5, 2001** AT THE FOLLOWING ADDRESS:

THE ALTMAN GROUP, INC.  
60 EAST 42ND STREET, SUITE 1241  
NEW YORK, NEW YORK 10165  
TELEPHONE: (212) 681-9600

OR BY FAX TO: (212) 681-1383

A BALLOT THAT IS COMPLETED AND RECEIVED TIMELY BY THE VOTING AGENT BUT DOES NOT INDICATE AN ACCEPTANCE OR A REJECTION OF THE DEBTORS' PLAN WILL BE DEEMED A VOTE TO ACCEPT THE DEBTORS' PLAN.

This Ballot is *not* a letter of transmittal and may *not* be used for any purpose other than to cast votes.

**HOW TO VOTE**

1. COMPLETE ITEM 1 AND ITEM 2.
2. REVIEW THE CERTIFICATION CONTAINED IN ITEM 3.
3. COMPLETE AND **SIGN** THE BALLOT.
4. RETURN THE BALLOT IN THE PRE-ADDRESSED POSTAGE-PAID ENVELOPE OR FAX THE COMPLETED BALLOT TO (212) 681-1383.
5. YOU MUST VOTE *ALL* YOUR GENERAL UNSECURED CLAIM *EITHER* TO ACCEPT *OR* TO REJECT THE DEBTORS' PLAN, AND MAY NOT SPLIT YOUR VOTE.

**Item 1. Amount of the General Unsecured Claim Voted.** The undersigned certifies that, as of October 20, 2000, the Voting Record Date, the undersigned held a General Unsecured Claim in the amount set forth below.

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**Item 2. Vote.** The holder of the General Unsecured Claim identified above (the "Voter") votes as follows (check one box only -- if you do NOT check a box, your vote will be deemed an acceptance of the plan):

to **Accept** the Debtors' Plan       to **Reject** the Debtors' Plan.

**Item 3. Certification.** By returning this Ballot, the Voter certifies that (a) it has received a copy of the Debtors' Disclosure Statement (including the exhibits thereto) and understands that this solicitation is subject to all the terms and conditions set forth in the Debtors' Disclosure Statement, (b) it has full power and authority to vote to accept or reject the Debtors' Plan with respect to the General Unsecured Claim in the amount listed in Item 1. (c) it was the holder of the General Unsecured Claim described in Item 1 on the Voting Record Date, and (d) this Ballot is the only Ballot being submitted for the General Unsecured Claim held by such Voter.

Name of Creditor: \_\_\_\_\_  
(Print or Type)

Social Security or Federal Tax I.D. No.: \_\_\_\_\_  
(Optional)

Signature: \_\_\_\_\_

By: \_\_\_\_\_  
(If Appropriate)

Title: \_\_\_\_\_  
(If Appropriate)

Street Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Date Completed: \_\_\_\_\_

No fees, commissions, or other remuneration will be payable to any broker, dealer, or other person for soliciting votes on the Debtors' Plan. This Ballot shall not constitute or be deemed a proof of claim or equity interest or an assertion of a claim or equity interest.

**VOTING DEADLINE**

YOU MUST FORWARD YOUR COMPLETED BALLOT TO THE VOTING AGENT IN AMPLE TIME FOR YOUR VOTE TO BE RECEIVED BY THE VOTING AGENT PRIOR TO THE VOTING DEADLINE, WHICH IS 10:00 P.M., EASTERN TIME, JANUARY 5, 2001. OR YOUR VOTE WILL NOT BE COUNTED.

**IF YOU HAVE ANY QUESTIONS**

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL BALLOT OR ADDITIONAL COPIES OF THE DEBTORS' DISCLOSURE STATEMENT OR OTHER ENCLOSED MATERIALS, PLEASE CALL THE VOTING AGENT, THE ALTMAN GROUP, INC., AT (212) 681-9600.

## VOTING INSTRUCTIONS

### I. Parties in Interest Entitled to Vote

Only holders of Claims or Equity Interests in Class 2 (Secured Bank Claims), Class 5 (Senior Subordinated Notes), Class 6 (General Unsecured Claims) and Class 7 (KCS Common Stock Equity Interests) may vote on the Debtors' Plan. Pursuant to the applicable provisions of the Bankruptcy Code, generally only those classes of claims or equity interests that are (i) "impaired" by a chapter 11 plan and (ii) entitled to receive a distribution under such a plan are entitled to vote on a chapter 11 plan. The Debtors believe that Class 1 (Other Priority Claims), Class 3 (Other Secured Claims) and Class 4 (Senior Note Claims), and the holders of Claims in such Classes, are unimpaired, are conclusively presumed to have accepted the Debtors' Plan and thus are not entitled to vote on the Debtors' Plan. The holders of Equity Interests in Class 8 will not receive a distribution under the Debtors' Plan and, therefore, are deemed to have rejected the Debtors' Plan. Consequently, only holders of Claims and Equity Interests in Classes 2, 5, 6 and 7 of the Debtors' Plan are permitted to vote on the Debtors' Plan (holders of Claims and Equity Interests in Classes 2, 5, 6 and 7 are hereinafter referred to collectively as the "Voters").

### II. Vote Required for Acceptance by a Class

Under the Bankruptcy Code, acceptance of a plan of reorganization by an impaired class of **claims** occurs when holders of at least two-thirds in dollar amount and more than one-half in number of the allowed claims of that class that timely return ballots for acceptance or rejection of the plan of reorganization vote to accept the plan. Acceptance of a plan of reorganization by an impaired class of **equity interests** occurs when holders of at least two-thirds in amount of the allowed equity interests of that class that cast ballots for acceptance or rejection of the plan of reorganization vote to accept the plan.

A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code. The Debtors may seek to confirm the Debtors' Plan even if one or more classes of claims or equity interests do not accept the Debtors' Plan.

### III. Voting Procedures

The Debtors are providing copies of the Debtors' Disclosure Statement, Ballots and, where appropriate, Master Ballots to all record holders of Claims and Equity Interests in Classes 2, 5, 6 and 7 as of October 20, 2000 (the "Voting Record Date").

*Holders of General Unsecured Claims Entitled to Vote.* Any holder of a General Unsecured Claim as of the Voting Record Date may vote on the Debtors' Plan by completing and signing the enclosed Ballot and returning it directly to the Voting Agent (by first class mail using the enclosed pre-addressed, postage-paid envelope included in the Solicitation Package or by fax to (212) 681-1383) so as to be *received* by the Voting Agent before 10:00 P.M. on January 5, 2001 (the "Voting Deadline"). A Ballot that is completed and received timely but does not indicate an acceptance or a rejection of the Debtors' Plan will be deemed a vote to

accept the Debtors' Plan. If no return envelope was enclosed with the Solicitation Package, contact the Voting Agent for instructions for returning the Ballot.

*Other.* If a Ballot is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other acting in a fiduciary or representative capacity, such person should indicate such capacity when signing and, if requested by the Voting Agent, must submit proper evidence satisfactory to the Voting Agent of such person's authority to so act.

The Voting Agent, in its discretion, may contact voters to attempt to cure defects in the Ballots, or Master Ballots. In the event of a dispute with respect to the Voting Agent's determination of a vote to accept or reject the Debtors' Plan, the disputing party may seek a determination from the Bankruptcy Court.

*Withdrawal or Change of Vote.* Any eligible Voter that delivers a valid Ballot to the Nominee or Voting Agent may withdraw his, her or its vote by delivering a written notice of withdrawal to the Voting Agent before the Voting Deadline. To be valid, the notice of withdrawal must (a) be signed by the party who signed the Ballot to be revoked, and (b) be received by the Voting Agent before the Voting Deadline. Any eligible voter that delivers a valid Ballot may change its vote by delivering to the Voting Agent a properly completed subsequent Ballot so as to be received before the Voting Deadline. In the case where more than one timely, properly completed Ballot is received in respect of the same claim or equity interest, only the Ballot that bears the latest date will be counted. The Debtors may contest the validity of any withdrawals or change of votes.

**VOTING DEADLINE**

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