

**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 KCS COMMON STOCK EQUITY INTERESTS
(KCS Common Stock: Class 7)**

This Ballot is for holders of KCS Common Stock Equity Interests 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"). Holders of KCS Common Stock Equity Interests are those entities that own shares of common stock of KCS Energy, Inc. ("KCS Common Stock"). This Ballot is to be used to cast votes to accept or reject the Debtors' Third Amended Joint Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code, dated October 20, 2000 (the "Debtors' Plan"). 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. KCS Common Stock Equity Interests are placed in Class 7 in the Debtors' Plan. Before voting on the Debtors' Plan, please carefully review the Debtors' Plan and Debtors' Disclosure Statement in their entirety. Information regarding voting procedures is set forth in Sections II and XI of the Debtors' Disclosure Statement.

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DEBTORS' CLASS 7 BALLOT

was enclosed with the Solicitation Package, contact the Voting Agent for instructions for returning the Ballot.

Any beneficial owner holding, as of the Voting Record Date, KCS Common Stock Equity Interests in "street name" through a Nominee can vote by completing the Ballot and signing it (unless the Ballot has already been signed, or "prevalidated," by the Nominee), and returning it to the Nominee in sufficient time for the Nominee to then forward the vote so as to be *received* by the Voting Agent before the **Voting Deadline of 10:00 P.M. (Eastern Time) on January 5, 2001**. A Ballot submitted to a Nominee will not be counted unless and until the Nominee properly completes and timely delivers a corresponding Master Ballot to the Voting Agent. 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 a Ballot has already been signed (or "prevalidated") by a Nominee, the Ballot must be completed and returned or faxed directly to the Voting Agent so that it is received by the Voting Agent before the Voting Deadline.**

Nominees. A Nominee which, on the Voting Record Date, is the registered holder of KCS Common Stock Equity Interests for a beneficial owner can obtain the votes of the beneficial owners of such securities, consistent with customary practices for obtaining the votes of securities held in "street name," in one of the following two ways:

The Nominee may "prevalidate" a Ballot by (i) signing the Ballot, (ii) indicating on the Ballot the name of the registered holder, the amount of securities held by the Nominee for the beneficial owner, and the account number for the account in which such securities are held by the Nominee, and (iii) forwarding such Ballot, together with the Debtors' Disclosure Statement, return envelope and other materials requested to be forwarded, to the beneficial owner for voting. The beneficial owner must then complete the information requested in the Ballot, review the certifications contained in the Ballot, **and return the Ballot directly to the Voting Agent in the pre-addressed, postage-paid envelope or by fax so that it is received by the Voting Agent before the Voting Deadline**. A list of the beneficial owners to whom "prevalidated" Ballots were delivered should be maintained by Nominees for inspection for at least one year from the Voting Deadline.

OR

If the Nominee elects *not* to prevalidate Ballots, the Nominee may obtain the votes of beneficial owners by forwarding to the beneficial owners the unsigned Ballots, together with the Debtors' Disclosure Statement, a return envelope provided by, and addressed to, the Nominee, and other materials requested to be forwarded. Each such beneficial owner must then indicate his, her or its vote on the Ballot, complete the information requested in the Ballot, review the certifications contained in the Ballot, **execute the Ballot and return the Ballot to the Nominee**. After collecting the Ballots, the Nominee should, in turn, complete a Master Ballot compiling the votes and other information from the Ballots, execute the Master Ballot and deliver the Master Ballot to the Voting Agent so that it is received by the Voting Agent before the Voting Deadline. All Ballots returned by beneficial owners should either be forwarded to the Voting Agent (along with the Master Ballot) or retained by Nominees for inspection for at least one year from the Voting Deadline. **The Nominee should advise the beneficial owner to return his, her or its Ballot to the Nominee by a date calculated by the Nominee to allow it to prepare and return the Master Ballot to the Voting Agent so that it is received by the Voting Agent before the Voting Deadline.**

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.

For purposes of voting to accept or reject the Debtors' Plan, the beneficial owners of such securities will be deemed to be the "holders" of such claims represented by such securities. Unless otherwise ordered by the Bankruptcy Court, Ballots that are signed, dated and timely received, but on which a vote to accept or reject the Debtors' Plan has not been indicated, will be counted as an acceptance of the Debtors' Plan. 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 or Master Ballot to the Nominee or Voting Agent, as applicable, 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 or Master Ballot to be revoked, and (b) be received by the Voting Agent before the Voting Deadline. Any eligible voter that delivers a valid Ballot or Master Ballot may change its vote by delivering to the Voting Agent a properly completed subsequent Ballot or Master Ballot so as to be received before the Voting Deadline. In the case where more than one timely, properly completed Ballot or Master Ballot is received in respect of the same claim or equity interest, only the Ballot or Master Ballot that bears the latest date will be counted. The Debtors may contest the validity of any withdrawals or change of votes.

VOTING DEADLINE

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

STREET NAME HOLDERS

IF YOU MUST RETURN YOUR BALLOT TO YOUR BANK, BROKER OR OTHER NOMINEE, OR TO ITS AGENT, YOU MUST RETURN YOUR BALLOT TO THEM IN SUFFICIENT TIME FOR THEM TO PROCESS IT AND RETURN IT TO THE VOTING AGENT BEFORE THE VOTING DEADLINE. STREET NAME HOLDERS MAY NOT VOTE BY FAX UNLESS THEIR NOMINEE HAS PROVIDED THEM WITH A PRE-VALIDATED BALLOT AS DISCUSSED IN THESE VOTING INSTRUCTIONS.

IF YOU HAVE ANY QUESTIONS

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CALL THE VOTING AGENT, THE ALTMAN GROUP, INC., AT (212) 681-9600.