

COMMONWEALTH OF KENTUCKY  
CLARK CIRCUIT COURT  
DIVISION ONE  
JUDGE WILLIAM G. CLOUSE  
CONS. CASE NO. 17-CI-00175

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IN RE DELTA NATURAL GAS  
COMPANY, INC. STOCKHOLDER  
LITIGATION

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: Case No. 17-CI-00175  
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**NOTICE OF PENDENCY OF CLASS ACTION,  
CLASS ACTION DETERMINATION,  
SETTLEMENT OF CLASS ACTION,  
SETTLEMENT HEARING, AND RIGHT TO APPEAR**

**TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF DELTA NATURAL GAS COMPANY, INC.'S COMMON STOCK BETWEEN FEBRUARY 21, 2017 AND SEPTEMBER 20, 2017, INCLUSIVE (THE "CLASS PERIOD"). THIS NOTICE WAS SENT TO YOU BY ORDER OF THE COURT. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF THIS CLASS ACTION AND, IF YOU ARE A CLASS MEMBER, CONTAINS IMPORTANT INFORMATION AS TO YOUR RIGHTS CONCERNING THE SETTLEMENT DESCRIBED BELOW.**

**IF YOU HELD SHARES OF DELTA NATURAL GAS COMPANY, INC.'S STOCK FOR THE BENEFIT OF ANOTHER, PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO THE BENEFICIAL OWNER.**

**This Notice is not a lawsuit against you. You are not being sued. You have received this Notice because you may be a member of the Class described in this Notice.**

- The settlement ("Settlement") of the above-referenced consolidated action and the action styled as *Parshall v. Delta Natural Gas Company, Inc., et al.*, Case No. 5:17-cv-00194 filed in the United States District Court for the Eastern District of Kentucky (together, the "Actions") resolves these lawsuits which assert that Defendants breached their fiduciary duties to the stockholders of Delta Natural Gas Company, Inc. ("Delta" or the "Company"), or aided and abetted such breaches of fiduciary duty. The Actions included claims (1) that the members of the Delta board of directors breached their fiduciary duties to the public stockholders of Delta by recommending to stockholders a proposed sale of the Company to Peoples Natural Gas Company, LLC and PNG Companies, LLC (together, "PNG"), Drake Merger Sub, Inc. ("Merger Sub") and SteelRiver Infrastructure Fund North America, LP ("SteelRiver") that did not maximize stockholder value (the "Transaction"); and (2) that the Company's disclosures with respect to the Transaction were deficient. Defendants are Delta, its board of directors as of February 21, 2017 (Glenn R. Jennings, Linda K. Breathitt, Jacob P. Cline, III, Sandra C. Gray, Edward J. Holmes, Michael J. Kistner, Fred N. Parker, Rodney L. Short, and Arthur E. Walker, Jr.), PNG, Merger Sub and SteelRiver (collectively, "Defendants"). Defendants have denied and continue to deny the allegations and any wrongdoing or breach whatsoever.
- The Settlement provides for the dissemination of a Supplement to Delta's Definitive Proxy Statement on May 25, 2017, that contained certain additional disclosures regarding the Transaction, including: information regarding the process leading up to the Transaction, including employment-related discussions with Delta's executive officers and confidentiality agreements Delta entered into with prospective bidders; additional details of the analyses performed by the Company's financial advisor Tudor, Pickering, Holt & Co. Advisors, LLC ("TPH") in evaluating the fairness of the Transaction to Delta stockholders; and certain financial projections provided to TPH by Delta management. The full text of the Form 8-K containing the Supplemental Disclosures, which was mailed to stockholders on May 25, 2017, is available at: [www.deltanaturalgaslitigation.com](http://www.deltanaturalgaslitigation.com)
- Plaintiffs believe that the Settlement provides a substantial benefit to the Class and avoids the costs and risks associated with continued litigation, including the danger of no recovery. In connection with the Transaction, Delta was required to disclose to Plaintiffs and the Class information related to the decision confronting Delta stockholders of whether to vote in favor of the Transaction.

- Defendants, solely to avoid the costs, disruption, and distraction of further litigation, and without admitting the validity of any allegations made in the Actions, or any liability with respect thereto, have concluded that it is desirable that the claims against them be settled and dismissed on the terms reflected in the Settlement.
- Plaintiffs' counsel have not received any payment for conducting this lawsuit and negotiating the Settlement on behalf of the Class. Plaintiffs' counsel will ask the Court to approve attorneys' fees and expenses in the amount of \$330,000 (THREE HUNDRED THIRTY THOUSAND DOLLARS), which Delta (or its successor(s) in interest) has agreed to pay, subject to the Court's approval. The amounts paid to Plaintiffs' counsel for attorneys' fees and reimbursement of expenses will not be paid out of amounts that would otherwise have been paid to members of the Class.

Your Legal Rights and Options in the Settlement	
<b>DO NOTHING</b>	You are giving up any and all claims against Defendants in connection with the Transaction between Delta and PNG.
<b>OBJECT</b>	You may write to the Court if you object to this Settlement.
<b>GO TO A HEARING</b>	You may ask to speak in Court about the fairness of the Settlement or the attorney fees requested by Plaintiffs' counsel.

These rights and options – **and the deadlines for exercising them** – are explained below.

### BASIC INFORMATION

1. **Why Did I Get This Notice?** You or someone in your family may have held shares of Delta common stock during the Class Period, and therefore you may be a Class member. The Court directed that this Notice be sent to you because you have a right to know about the proposed Settlement of these class action lawsuits, and about all of your options, before the Court decides whether to approve the Settlement.

2. **Why Is This a Class Action?** In a class action, one or more people or entities called class representatives or plaintiffs sue on behalf of people and entities who have similar claims. Here, all these people and entities are called Class members. One court resolves the issues for all Class members.

3. **Why Is There a Settlement?** The Court did not decide in favor of Plaintiffs or Defendants, all of whom have denied any and all wrongdoing and liability for the claims asserted against them in this case. Instead, all of the parties have agreed to a settlement, thereby avoiding the cost and risk of continued litigation, including a trial and possible appeals. Plaintiffs and their attorneys believe the Settlement is in the best interests of the Class members.

4. **How Do I Know if I Am Part of the Settlement?** The Class includes all persons and entities who held shares of Delta common stock at any time during the period between February 21, 2017 and September 20, 2017, inclusive, including within the Class the successors in interest and transferees of all such foregoing holders and/or owners, immediate, and remote, excluding the Defendants, their immediate family members, their directors or partners, their direct or indirect parent or subsidiary entities, or any person or entity over whom or which any Defendant exercises sole or exclusive control (the "Class").

### THE LAWYERS REPRESENTING YOU

5. **Do I Have a Lawyer in This Case?** WeissLaw LLP, Levi & Korsinsky LLP, Rigrodsky & Long, P.A., Gray & White Law, and Strause Law Group, LLC, represent Class members. These lawyers are called Plaintiffs' counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

6. **How Will the Lawyers Be Paid?** Plaintiffs' counsel will ask the Court for an award of attorneys' fees and expenses in the amount of \$330,000 (THREE HUNDRED THIRTY THOUSAND DOLLARS). Delta (or its successor(s) in interest) have agreed to pay such amount subject to the Court's approval. Class members are not personally liable for any fees or expenses. To date, Plaintiffs' counsel have not been paid for their services in conducting this litigation on behalf of Plaintiffs and the Class, nor for their out-of-pocket expenses. The fee requested will compensate Plaintiffs' counsel for their work in achieving the Settlement.

## OBJECTING TO THE SETTLEMENT

7. **How Do I Tell the Court That I Object to the Settlement?** If you are a Class member, you can object to the Settlement if you don't like any part of it. You can also object to Plaintiffs' counsel's request for attorneys' fees and expenses. You can give reasons why you think the Court should not approve the Settlement or Plaintiffs' counsel's request for attorneys' fees and expenses. The Court will consider your views. To object, you must send a letter saying that you object and the reasons why you object, and include your name, address and telephone number, as well as proof of membership in the Class, including a listing of your holdings in Delta stock during the Class Period. Mail the letter to the following places so that it is received no later than November 13, 2018, which is twenty-one (21) calendar days prior to the Settlement Hearing currently scheduled for December 4, 2018 at 9:30 a.m. at the location listed in paragraph 8.

### ***Clerk of the Court:***

Clark County Circuit Court Clerk  
17 Cleveland Ave.  
P.O. Box 687  
Winchester, KY 40392

### ***Counsel for Plaintiffs:***

Donald J. Enright  
**LEVI & KORSINSKY LLP**  
1101 30th Street, NW, Suite 115  
Washington, DC 20007

Mark K. Gray  
**GRAY & WHITE LAW**  
713 E. Market St. #200  
Louisville, KY 40202

### ***Counsel for Defendants:***

Edward N. Moss  
**O'MELVENY & MYERS LLP**  
Times Square Tower  
7 Times Square  
New York, NY 10036

Steven B. Loy  
**STOLL KEENON OGDEN, PLLC**  
300 West Vine Street, Suite 2100  
Lexington, KY 40507

Byron E. Leet  
**WYATT TARRANT & COMBS LLP**  
500 West Jefferson Street  
Suite 2800  
Louisville, KY 40202

## THE COURT'S FAIRNESS HEARING

8. **When and Where Will the Court Decide Whether to Approve the Settlement?** The court will hold a Settlement Hearing at 9:30 a.m. on December 4, 2018, before:

**The Honorable William G. Clouse**  
Clark County Circuit Court  
17 Cleveland Ave.  
Winchester, KY 40392

9. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them at that time, and will listen to any Class member who has asked to speak at the hearing. The Court will also consider whether and how much to pay Plaintiffs' counsel. You should be aware that the Court may change the date and time of the hearing. If you want to come to the hearing, you should check with the Court before coming to be sure that the date and/or time has not changed.

10. **Do I Have to Come to the Hearing?** No. Plaintiffs' counsel will answer questions the Court may have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you submitted your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

11. **May I Speak at the Hearing?** You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must send a letter to everyone listed in Question No. 7 above saying that you intend to appear at the hearing. Be sure to include your name, address, telephone number, proof of membership in the Class (including a listing

of your holdings in Delta stock during the Class Period), a detailed statement of your objection or objections, and the specific reasons for each objection, including any legal and evidentiary support you wish to bring to the Court's attention, and your signature. Your notice of intention to appear must be received no later than November 13, 2018, which is twenty-one (21) calendar days prior to the Settlement Hearing currently scheduled for December 4, 2018 at 9:30 a.m. at the location listed in paragraph 8.

### **GETTING MORE INFORMATION**

12. **Are There More Details About the Settlement?** This Notice summarizes the proposed Settlement. More details are in the Stipulation and Agreement of Compromise, Settlement, and Release ("Stipulation") dated August 27, 2018. You can get a copy of the Stipulation during business hours at the Clerk of the Court:

**Clark County Circuit Court Clerk  
17 Cleveland Ave.  
Winchester, KY 40392**

or by writing to Donald J. Enright and Elizabeth K. Tripodi, Levi & Korsinsky LLP, 1101 30th Street, NW, Suite 115, Washington, DC 20007. If you have questions or want to get additional information, you can call (202) 524-4291 or write to Elizabeth K. Tripodi at the above address. The Settlement Stipulation and Agreement of Compromise, Settlement and Release, along with other relevant case documents, are also available at [www.deltanaturalgaslitigation.com](http://www.deltanaturalgaslitigation.com).

### **SPECIAL NOTICE TO NOMINEES**

Brokerage firms, banks and/or other persons or entities who held shares of Delta common stock at any time between February 21, 2017 and September 20, 2017, inclusive, for the benefit of others are requested to immediately send this Notice to all of such beneficial owners. If additional copies of the Notice are needed for forwarding to such beneficial owners, any requests for such additional copies or provision of a list of names and mailing addresses of beneficial owners may be made to:

**Delta Natural Gas Stockholder Litigation  
c/o GCG  
PO Box 10650  
Dublin, OH 43017-9250**

Such brokerage firms, banks and/or other persons or entities requesting additional copies or providing a list of names and mailing addresses of beneficial owners will be reimbursed for documented reasonable out-of-pocket expenses incurred in providing such additional copies or providing a list of names and mailing addresses of beneficial owners.

### **PLEASE DO NOT CALL THE COURT REGARDING THIS NOTICE**

Dated: September 28, 2018

BY ORDER OF THE CLARK CIRCUIT COURT IN THE  
COMMONWEALTH OF KENTUCKY