
IN RE VENOCO, INC.)	CONSOLIDATED
SHAREHOLDER LITIGATION)	C.A. No. 6825-VCG

NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED SETTLEMENT OF CLASS ACTION AND SETTLEMENT HEARING

TO: ALL PERSONS OR ENTITIES WHO HELD SHARES OF VENOCO, INC. (“VENOCO” OR THE “COMPANY”) COMMON STOCK, EITHER OF RECORD OR BENEFICIALLY, AT ANY TIME BETWEEN MAY 1, 2011, AND OCTOBER 3, 2012, INCLUDING ANY AND ALL OF THEIR RESPECTIVE SUCCESSORS-IN-INTEREST, SUCCESSORS, ESTATES, PREDECESSORS-IN-INTEREST, PREDECESSORS, EXECUTORS, HEIRS, TRUSTEES, REPRESENTATIVES, ADMINISTRATORS, ASSIGNS OR TRANSFEREES, IMMEDIATE AND REMOTE, AND ANY PERSON OR ENTITY ACTING FOR OR ON BEHALF OF, OR CLAIMING UNDER, ANY OF THEM, AND EACH OF THEM, BUT EXCLUDING DEFENDANTS, THEIR IMMEDIATE FAMILY MEMBERS, ANY ENTITY CONTROLLED BY ANY OF THE DEFENDANTS, AND ANY SUCCESSORS IN INTEREST THERETO, AS WELL AS ANY STOCKHOLDERS WHO PROPERLY EXERCISED APPRAISAL RIGHTS PURSUANT TO GENERAL CORPORATION LAW OF THE STATE OF DELAWARE, SECTION 262, WITH RESPECT TO THEIR APPRAISAL CLAIMS ONLY (THE “CLASS”).

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS ACTION. IF THE COURT APPROVES THE PROPOSED SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS OF THE PROPOSED SETTLEMENT OR PURSUING THE “RELEASED CLAIMS” (DEFINED BELOW).

BROKERAGE FIRMS, BANKS, AND OTHER PERSONS OR ENTITIES WHO HELD CLASS SHARES OR WHO HELD SHARES OF RECORD WHO ARE NOT ALSO BENEFICIAL OWNERS, ARE DIRECTED TO FORWARD THIS NOTICE PROMPTLY TO THE BENEFICIAL OWNERS OF SUCH SHARES, OR REQUEST LEAD COUNSEL TO DO SO (SEE SECTION AT THE END OF THIS NOTICE ENTITLED “NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP ON BEHALF OF OTHERS”).

The purpose of this Notice is to inform you about: (i) the pendency of the above-captioned consolidated stockholder class action (the “Consolidated Action”), which was brought by Venoco stockholders on behalf of and for the benefit of a class of Venoco stockholders in the Court of Chancery of the State of Delaware (the “Court”); (ii) a proposed settlement of the Consolidated Action (the “Settlement”), subject to Court approval and subject to other conditions of the Settlement being satisfied, *i.e.*, the occurrence of the Effective Date, as provided in a Stipulation and Agreement of Compromise and Settlement (the “Stipulation”) that was filed with the Court and is publicly available for review as indicated in paragraph 40 below; (iii) the hearing that the Court will hold on October 5, 2016 at 1:30 PM, at the Court of Chancery Courthouse, 34 The Circle, Georgetown, Delaware 19947, to (i) consider the proposed Settlement; (ii) determine whether Lead Plaintiffs and Lead Counsel have adequately represented the interests of the Class in the Consolidated Action; (iii) determine whether the Stipulation, and the terms and conditions of the Settlement proposed in the Stipulation, are fair, reasonable, and adequate to the Class Members and should be approved by the Court; (iv) determine whether the Order and Final Judgment should be entered dismissing the Consolidated Action and Released Claims with prejudice as against Lead Plaintiffs and the Class, releasing and discharging with respect to Lead Plaintiffs and all Class Members the Released Claims against the Released Parties, and permanently barring and enjoining prosecution of any and all Released Claims in any forum; (v) hear and rule on any objections to the Settlement; (vi) consider and rule on Lead Counsel’s application for an award of attorneys’ fees, costs, and expenses as provided in the Stipulation, including any application for awards to be paid to Lead Plaintiffs, and any objections thereto; and (vii) rule on other such matters as the Court may deem appropriate.¹

The Stipulation was entered into as of March 15, 2016, between and among: lead plaintiffs Jordan Frazier and Irving Feldbaum (collectively, “Lead Plaintiffs”), on their own behalf and on behalf of the Class; (ii) defendants Venoco, Timothy M. Marquez (“Marquez”), Richard S. Walker, Joel L. Reed, J.C. McFarland, Mark A. Snell, M.W. Scoggins, and Donna L. Lucas (Walker, Reed, McFarland, Snell, Scoggins, and Lucas collectively, the “Special Committee” or “Special Committee Defendants”) (collectively with Marquez, the “Individual Defendants”); and (iii) defendants Denver Parent Corporation (“Denver Parent”), and Denver Merger Sub Corporation (“Merger Sub”) (collectively with Lead Plaintiffs, Individual Defendants, and Denver Parent, the “Parties”), subject to the approval of the Court pursuant to Delaware Court of Chancery Rule 23.

¹ All capitalized terms not otherwise defined in this Notice shall have the meaning provided in the Stipulation.

WHAT IS THE PURPOSE OF THIS NOTICE?

1. The purpose of this Notice is to explain the Consolidated Action, the terms of the proposed Settlement, and how the Settlement affects Class Members' legal rights.
2. In a class action, one or more people and/or entities who were stockholders at the time the claim arose sue on behalf of and for the benefit of the individual class members, seeking to enforce the class members' legal rights.
3. As described more fully in paragraph 38 below, Class Members have the right to object to the proposed Settlement, Lead Counsel's Fee Application and application for Incentive Awards to Lead Plaintiffs. They have the right to appear and be heard at the Settlement Hearing, which will be held before Vice Chancellor Sam Glasscock III on October 5, 2016 at 1:30 PM, at the Court of Chancery Courthouse, 34 The Circle, Georgetown, Delaware 19947. At the Settlement Hearing, the Court will: (i) consider the proposed Settlement; (ii) determine whether Lead Plaintiffs and Lead Counsel have adequately represented the interests of the Class in the Consolidated Action; (iii) determine whether the Stipulation, and the terms and conditions of the Settlement proposed in the Stipulation, are fair, reasonable, and adequate to the Class Members and should be approved by the Court; (iv) determine whether the Order and Final Judgment should be entered dismissing the Consolidated Action and Released Claims with prejudice as against Lead Plaintiffs and the Class, releasing and discharging with respect to Lead Plaintiffs and all Class Members the Released Claims against the Released Parties, and permanently barring and enjoining prosecution of any and all Released Claims in any forum; (v) hear and rule on any objections to the Settlement; (vi) consider and rule on Lead Counsel's application for an award of attorneys' fees, costs, and expenses as provided in the Stipulation, including any application for awards to be paid to Lead Plaintiffs, and any objections thereto; and (vii) rule on other such matters as the Court may deem appropriate.
4. The Court has reserved the right to adjourn or continue the Settlement Hearing, without further notice to you other than by announcement at the Settlement Hearing or any adjournment thereof, or notation on the docket in the Consolidated Action. The Court has further reserved the right to approve the Settlement, at or after the Settlement Hearing, with such modifications as may be consented to by the Parties and without further notice to the Class of any kind.

WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR?

THE FOLLOWING DESCRIPTION OF THE CONSOLIDATED ACTION AND THE SETTLEMENT HAS BEEN PREPARED BY COUNSEL FOR THE PARTIES. THE COURT HAS MADE NO FINDINGS WITH RESPECT TO SUCH MATTERS, AND THIS NOTICE IS NOT AN EXPRESSION OR STATEMENT BY THE COURT OF FINDINGS OF FACT.

5. On January 16, 2012, Venoco announced that its Board of Directors (the "Board") had entered into an Agreement and Plan of Merger (the "Merger Agreement") with Denver Parent, Merger Sub, and defendant Marquez, whereby defendant Marquez would acquire approximately 49% of common stock of Venoco that he did not already control for \$12.50 per share in cash (the "Acquisition"). This announcement came after defendant Marquez sent a proposal to the Company's Board on August 26, 2011 (the "Proposal Letter").
6. Beginning on August 31, 2011, a number of lawsuits were filed against Venoco, Marquez and the Board, alleging that the Board breached its fiduciary duties in connection with the Acquisition and that Venoco and Marquez aided and abetted such breaches.²
7. On February 13, 2012, Venoco filed a Schedule 14A Preliminary Proxy Statement (the "Preliminary Proxy") with the United States Securities and Exchange Commission ("SEC"), which recommended that Venoco's public shareholders vote in favor of the Acquisition. The same day, Venoco also filed a Schedule 13E-3, which included presentations made by the Company's financial advisor Merrill Lynch, Pierce, Fenner & Smith Incorporated to the Board in connection with the Acquisition.
8. On February 27, 2012, the Court entered an Order of Consolidation and Appointment of Lead Plaintiffs and Co-Lead Counsel, which consolidated the Prince, Frazier, Worthen, Sellier, Bicker, Feldbaum, Brazin, Hossain, Weinberg, and Smith Actions into a consolidated action (the "Consolidated Action"), and appointed plaintiffs Frazier and Feldbaum as Co-Lead Plaintiffs, Wolf Popper LLP and Robbins Arroyo LLP as plaintiffs' Co-Lead Counsel, and Rosenthal, Monhait & Goddess, P.A. and Cooch and Taylor PA as plaintiffs' Co-Liaison Counsel.

² These actions include lawsuits captioned *Prince v. Venoco, Inc.*, C.A. No. 6823-CS (filed August 31, 2011, dismissed without prejudice on January 31, 2012); *Frazier v. Venoco, Inc.*, C.A. No. 6825-CS (filed September 1, 2011); *Worthen v. Venoco, Inc.*, C.A. No. 6834-CS (filed September 6, 2011); *Sellier v. Venoco, Inc.*, C.A. No. 6838-CS (filed September 6, 2011, dismissed without prejudice on January 31, 2012); *Bicker v. Marquez*, C.A. No. 6852-CS (filed September 9, 2011); *Feldbaum v. Venoco, Inc.*, C.A. No. 7183-CS (filed January 19, 2012); *Brazin v. Venoco, Inc.*, C.A. No. 7195-CS (filed January 26, 2012); *Hossain v. Venoco, Inc.*, C.A. No. 7196-CS (filed January 26, 2012); *Weinberg v. Venoco, Inc.*, C.A. No. 7214-CS (filed February 6, 2012); and *Smith v. Venoco, Inc.*, C.A. No. 7215-CS (filed February 6, 2012).

9. On March 30, 2012, Lead Plaintiffs filed a Motion for Preliminary Injunction requesting that the Court enjoin Defendants and all persons acting in concert with them from proceeding with, consummating, or otherwise closing the proposed Acquisition.
10. Between April 2, 2012, and April 23, 2012, the Parties engaged in expedited discovery in anticipation of Lead Plaintiffs' motion for a preliminary injunction, which was scheduled to be heard on May 9, 2012, and subsequently rescheduled for May 18, 2012.
11. After the substantial completion of expedited discovery, which included Plaintiffs obtaining documents from Defendants and taking the depositions of Defendants Walker and Marquez, Venoco's Chief Financial Officer, and one of the Board's financial advisors, on April 25, 2012, Lead Plaintiffs withdrew their preliminary injunction motion.
12. On May 3, 2012, Venoco filed a Definitive Proxy Statement (the "Proxy") with the SEC in connection with the Transaction.
13. On June 5, 2012, the shareholder vote took place and the Acquisition was approved by a majority of all outstanding shares and a majority of the outstanding shares not owned by Marquez and his affiliates or any director, officer, or employee of Venoco or its subsidiaries. On October 3, 2012, the Acquisition closed.
14. On March 15, 2013, Lead Plaintiffs filed a Verified Consolidated Amended Class Action Complaint ("First Amended Complaint") in the Court, alleging, among other things, that the Board and the Special Committee breached their fiduciary duties in connection with the Acquisition and that Denver Parent and Merger Sub aided and abetted such breaches.
15. On May 15, 2013, defendants Marquez, Denver Parent, and Merger Sub filed an Answer to Verified Consolidated Amended Class Action Complaint with the Court. On May 15, 2013, Venoco filed an Answer to Verified Consolidated Amended Class Action Complaint with the Court. On May 17, 2013, defendants Reed and Walker filed an Answer to Verified Consolidated Amended Class Action Complaint with the Court. On May 29, 2013, defendants Snell, McFarland, Scoggins, and Lucas filed an Answer to Verified Consolidated Amended Class Action Complaint with the Court.
16. The Parties engaged in extensive discovery efforts, including taking depositions and serving and responding to requests for production of documents and interrogatories, service of Subpoenas Duces Tecum and Subpoenas Ad Testificandum directed to numerous third parties.
17. Throughout the course of the Consolidated Action, Defendants and third parties produced, and Lead Counsel and other plaintiffs' counsel reviewed, over 220,000 pages of documents, including, Board and Special Committee meeting minutes, bankers' presentations, projected financial information, and emails, and Lead Counsel and other plaintiffs' counsel took sixteen depositions of Defendant and third-party witnesses. Defendants took the depositions of both Lead Plaintiffs.
18. On January 27, 2014, the Parties stipulated to an order of class certification. On January 28, 2014, the Court entered an Order of Class Certification, which certified a class defined as "all persons who held shares of stock of Venoco (excluding Defendants named in this lawsuit and their immediate family members, any entity controlled by any of the Defendants, and any successors in interest thereto, as well as any stockholders who properly exercised appraisal rights pursuant to General Corporation Law of the State of Delaware, Section 262, with respect to their appraisal claims only) at any time during the period from and including May 1, 2011, through October 3, 2012, the date the Acquisition closed."
19. From February 13, 2015 through March 24, 2015, the Parties exchanged expert reports and rebuttal reports. On April 2 and 3, 2015, depositions of the Parties' experts took place.
20. On June 11, 2015, the Parties conducted a mediation with the Honorable Layn R. Phillips (Ret.). The Parties held a follow-up mediation on July 2, 2015. Between July 2015 and January 2016, the Parties continued, with the assistance of mediators, to explore potential resolution of the Consolidated Action.
21. On September 18, 2015, defendants Marquez and Denver Parent filed a Motion for Partial Summary Judgment and the Special Committee Defendants filed a Motion for Summary Judgment.
22. On February 4, 2016, the Parties held another follow-up mediation with the Honorable Layn R. Phillips (Ret.). On February 11, 2016, after arm's-length negotiations with the guidance of the mediator, the Parties reached an agreement-in-principle to settle the Consolidated Action and resolve Lead Plaintiffs' claims on the basis that Defendants and/or their insurers would pay \$19 million for the benefit of the Class; and, in the event that Venoco did not file for bankruptcy, defendant Marquez would provide 25% of his equity interest in Venoco to the Class.
23. On March 15, 2016, the Parties entered into the Stipulation, which reflected the terms and conditions of the agreement-in-principle that was reached on February 11, 2016. The Stipulation was filed with the Court on March 16, 2016. On March 18, 2016, Venoco filed for bankruptcy in the U.S. Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). On July 13, 2016, the Bankruptcy Court provided its approval of the Settlement.

24. The Court has not finally determined the merits of the claims made by Plaintiffs against, or the defenses of, the Defendants. This Notice does not imply that there has been or would be any finding of violation of the law or that relief in any form or recovery in any amount could be had if the Consolidated Action was not settled.

WHAT ARE THE TERMS OF THE SETTLEMENT?

25. The terms and conditions of the Settlement are set forth in detail in the Stipulation, which has been filed with the Court. The Settlement is subject to and becomes effective only upon approval by the Court and the satisfaction of all conditions set forth in Paragraph 14 of the Stipulation. This Notice only includes a summary of the Settlement, and does not purport to be a comprehensive description of all of its terms, which are available for review as described below.

26. As consideration for the Settlement:

(a) Venoco and/or Defendants' insurers shall deposit a total sum of nineteen million dollars (\$19,000,000) (the "Settlement Amount") into an escrow account (the "Account") within ten (10) business days after the Effective Date, which is the first business day following the date on which all of the conditions set forth in Paragraph 14 of the Stipulation shall have occurred, provided that Lead Counsel has provided, on or before the Effective Date, complete wire transfer information and instructions (or, if payment will be made by check, other appropriate payment information and instructions) to Defendants and/or defendants' insurer(s), along with any other information reasonably requested to facilitate payment (including an IRS Form W-9, if requested).

(b) If Venoco had not filed for bankruptcy prior to April 1, 2016 (it filed for bankruptcy on March 18, 2016), defendant Marquez would have been required within ten (10) business days of April 1, 2016, and in compliance with applicable federal and state securities laws, to transfer 25% of his equity interest in Venoco to an entity (that would have been determined by Lead Counsel) to be held in escrow for the benefit of the Class, subject to the occurrence of the Effective Date and, if in that instance Venoco had filed for bankruptcy after April 1, 2016, but before the Effective Date, the confirmation of a plan of reorganization by the Bankruptcy Court.

(c) The balance of the Settlement Amount and any equity interests held in escrow for the benefit of the Class, minus all costs and expenses incurred in connection with administering the Account, the amount of any Fee and Expense Award, and the amount of any Incentive Award (as defined in paragraph 34 below) ("Net Settlement Amount"), shall be disbursed by the Paying Agent to the Settlement Payment Recipients and will be allocated on a per-share basis among the Settlement Payment Recipients who have submitted to the Paying Agent a valid Proof of Claim by December 5, 2016, based on the number of shares of Venoco common stock held by the applicable Settlement Payment Recipient upon the Closing (provided that if a Settlement Payment Recipient held shares of Venoco common stock in registered form and has not submitted a letter of transmittal as of the Effective Date, such payment shall be allocated to such Settlement Payment Recipient but will not be remitted until such Settlement Payment Recipient has submitted its letter of transmittal or other satisfactory proof sufficient to determine whether such Class Member is a Settlement Payment Recipient) (the "Initial Distribution"). If any equity interest is to be distributed as part of the Net Settlement Amount, any such distribution shall be made in compliance with all applicable federal and state securities laws, and no such distribution or transfer from escrow shall be made unless and until the occurrence of the Effective Date and, if Venoco files for bankruptcy after April 1, 2016, but before the Effective Date, the confirmation of a plan of reorganization by the Bankruptcy Court. Any Class Member who wishes to participate in the distribution of the Net Settlement Amount shall submit to the Paying Agent a completed Proof of Claim in the form attached hereto no later than December 5, 2016. Any Proof of Claim submitted to the Paying Agent after such date may be rejected as untimely. The Settlement and any Order and Final Judgment, including the releases described herein, shall be binding on all Class Members even if (i) they are ineligible to submit a Proof of Claim because they sold their shares prior to the Closing, or (ii) they fail to submit a valid and timely Proof of Claim.

(d) If Lead Plaintiffs and/or the Paying Agent have made reasonable efforts to have Settlement Payment Recipients claim their payments and the amount of the Net Settlement Amount that remains unclaimed by the Settlement Payment Recipients (the "Unclaimed Amount") exceeds \$100,000 after a period of six (6) months after the Initial Distribution, then the Unclaimed Amount will be re-disbursed by the Paying Agent for payment to all Settlement Payment Recipients, who claimed their payments in the Initial Distribution, on a *pro rata* basis. If, however, after a period of six (6) months after the Initial Distribution, the amount of the Unclaimed Amount is equal to or less than \$100,000, or if any of the Unclaimed Amount remains unclaimed after the re-disbursement described in the preceding sentence, then any such unclaimed amount of the Net Settlement Amount shall be transferred to the Office of the State Escheator for handling in accordance with the laws of interstate escheat.

(e) None of Venoco, any of the Defendants, or defendants' insurers shall have any input, responsibility, or liability for any claims, payments, or determinations by the Paying Agent in respect of Class Member claims for payment under this Settlement. Other than as provided in the Stipulation, Defendants, their insurers, and the Released Parties shall have no involvement in, responsibility for, or liability relating to the distribution of the Net Settlement Amount to Class Members.

WHAT ARE THE PARTIES' REASONS FOR THE SETTLEMENT?

27. Lead Plaintiffs believe that the claims asserted in the Consolidated Action have merit. In negotiating and evaluating the terms of the Stipulation, Lead Counsel considered the legal and factual defenses to Lead Plaintiffs' claims that Defendants raised and might have raised throughout the pendency of the Consolidated Action and the difficulty they would have likely had in enforcing any judgment they might have obtained at a trial of this action. In addition, Lead Plaintiffs considered the benefits to be provided to the Class through the Settlement Payment. Based upon their evaluation, Lead Plaintiffs and Lead Counsel have determined that the Settlement set forth in the Stipulation is fair, reasonable, and adequate to Lead Plaintiffs and the Class, and that it confers substantial benefits upon the Class.

28. Defendants have denied, and continue to deny, all allegations of wrongdoing, fault, liability, or damage with respect to all claims asserted in the Consolidated Action, including that they have committed any violations of law or breaches of duty or that they have engaged in any wrongful acts or acted improperly in any way, and that they have any liability or owe any damages of any kind to Lead Plaintiffs and/or the Class, and Defendants expressly maintain that they diligently and scrupulously complied with applicable fiduciary, disclosure and other legal and equitable duties. Defendants are entering into the Stipulation and Settlement solely because they consider it desirable that the Consolidated Action be settled and dismissed with prejudice in order to, among other things, (i) eliminate the uncertainty, burden, inconvenience, expense, and distraction of further litigation, and (ii) fully and finally put to rest and terminate all claims that were or could have been asserted by Lead Plaintiffs or any other member of the Class against Defendants in the Consolidated Action or in any other action, in any court or tribunal, relating to the Acquisition.

29. If the Settlement is approved, the Court will enter an Order and Final Judgment. Upon the Effective Date, the Action will be dismissed in its entirety with prejudice, on the merits and without costs, and the following releases will occur:

Release of Claims by Lead Plaintiffs and all Class Members: Plaintiffs and all Class Members, on behalf of themselves, and any and all of their respective successors-in-interest, successors, predecessors-in-interest, predecessors, representatives, trustees, executors, administrators, estates, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them, agree to release and forever discharge, and by operation of the Order and Final Judgment shall release and forever discharge, all Released Claims as against all Released Parties.

Whether or not any or all of the following Persons were named, served with process or appeared in the Consolidated Action, "Released Claims" means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature, or description whatsoever, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including Unknown Claims (defined below), that plaintiffs or any or all other Class Members ever had, now have, or may have, whether direct, derivative, individual, class, representative, legal, equitable, or of any other type, or in any other capacity, against any of the Released Parties (defined below), whether based on state, local, foreign, federal, statutory, regulatory, common or other law or rule (including, but not limited to, any claims under federal securities laws, including such claims within the exclusive jurisdiction of the federal courts, or state disclosure law or any claims that could be asserted derivatively on behalf of Venoco), which, now or hereafter, are based upon, arise out of, relate in any way to, or involve, directly or indirectly, (i) the Acquisition, (ii) any deliberations or negotiations in connection with the Acquisition, (iii) the consideration received by Class Members or by any other Person in connection with the Acquisition, (iv) the Proxy or any other disclosures, public filings, periodic reports, press releases, proxy statements, or other statements issued, made available, or filed relating, directly or indirectly, to the Acquisition, (v) the fiduciary duties and obligations of the Released Parties in connection with the Acquisition, (vi) any of the allegations in any complaint or amendment(s) thereto filed in the Consolidated Action, including in any of its constituent actions (e.g., the *Frazier* and *Feldbaum* actions), or (vii) any other actions, transactions, occurrences, statements, representations, misrepresentations, omissions, allegations, facts, practices, events, claims, or any other matters, things, or causes whatsoever, or any series thereof, that were, could have been, or in the future can or might be alleged, asserted, set forth, claimed, embraced, involved, or referred to in, or otherwise related, directly or indirectly, in any way to, the Consolidated Action or the subject matter of the Consolidated Action; provided, however, that the Released Claims shall not include claims to enforce the Settlement or any claims or rights of any Defendant against its insurers or its insurers' successors or assignees.

"Released Parties" means: (i) Defendants, (ii) any Person which is, was, or will be related to or affiliated with any or all of Defendants or in which any or all of Defendants has, had, or will have a controlling interest, (iii) Venoco, (iv) Denver Parent, Merger Sub, and Marquez, and (v) each and all of the foregoing's respective past, present, or future family members, spouses, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, insurers and reinsurers, foundations, agents, employees, fiduciaries, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated entities, stockholders, principals, officers, managers, directors, managing directors, members, managing members, managing agents, predecessors, predecessors-in-interest, successors,

successors-in-interest, assigns, financial or investment advisors, advisors, consultants, investment bankers, entities providing any fairness opinion, underwriters, brokers, dealers, lenders, commercial bankers, attorneys, personal or legal representatives, accountants, insurers, co-insurers, reinsurers, and associates.

“Unknown Claims” means any claim that any plaintiff or any other Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Claims as against the Released Parties, including without limitation those which, if known, might have affected the decision to enter into the Settlement or to object or to not object to the Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that upon the occurrence of the Effective Date, Lead Plaintiffs and each Class Member shall expressly waive, and shall be deemed to have waived, and by operation of the Order and Final Judgment shall have expressly waived, relinquished and released any and all provisions, rights, and benefits conferred by or under California Civil Code §1542, or any law of the United States or any state of the United States or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Lead Plaintiffs acknowledge, and the Class Members shall be deemed by operation of law to have acknowledged, that (i) they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Claims, but that it is the intention of Lead Plaintiffs, and by operation of law the Class Members, to completely, fully, finally and forever extinguish any and all Released Claims, known or unknown, suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts; and (ii) the inclusion of “Unknown Claims” was separately bargained for and was a material element of the Settlement and was relied upon by each and all of Defendants in entering into the Stipulation and Settlement.

Release of Claims by Defendants: Defendants agree to fully, completely, finally, and forever release, relinquish, and discharge Lead Plaintiffs and Lead Counsel from all claims, including Unknown Claims, arising out of or relating to the institution, prosecution, settlement, or resolution of the Consolidated Action (provided, however, that this release, relinquishment, and discharge shall not include claims by the Parties hereto to enforce the terms of the Settlement or Settlement Agreement or any claims or rights of any Defendant against its insurers or its insurers’ successors or assignees).

30. If the Settlement is approved and the Effective Date occurs, Lead Plaintiffs and all Class Members, and any and all of their respective successors-in-interest, successors, predecessors-in-interest, predecessors, representatives, trustees, executors, administrators, estates, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them, will be forever barred and enjoined from commencing, instituting, maintaining, prosecuting, or asserting, either directly or in any other capacity, in any forum, any Released Claims against any of the Released Parties. Lead Plaintiffs, and all members of the Class, will also be barred and enjoined from commencing or prosecuting, either directly, representatively or in any other capacity, any action asserting any claims that are, or relate in any way to, Released Claims against Released Parties, and the Parties shall use their best efforts to prevent, stay or seek dismissal of or oppose entry of any interim or final relief in favor of any Class Member in any other litigation against any of the Released Parties which challenges the Settlement, the Acquisition, including any transactions contemplated thereby, or otherwise involves, directly or indirectly, a Released Claim.

31. If the Effective Date does not occur, if Defendants withdraw from the Settlement pursuant to Paragraph 20 of the Stipulation, or if the proposed Settlement otherwise does not become final for any reason, or any judgment or order entered pursuant to the Stipulation is reversed, vacated, or modified in any material respect by the Court or any other court, no reference to the Stipulation or any documents related thereto shall be made by the Parties for any purpose, except as expressly authorized by the terms of the Stipulation, and the Parties shall be returned, without prejudice in any way, to their respective litigation positions immediately prior to the execution of the Stipulation.

32. Pending final determination of whether the Settlement should be approved and occurrence of the Effective Date, all proceedings in the Consolidated Action (except as may be necessary to carry out the terms and conditions of the proposed Settlement) are stayed, and Lead Plaintiffs, and all members of the Class, are barred and enjoined from commencing or prosecuting, either directly, representatively or in any other capacity, any action asserting any claims that are, or relate in any way to, Released Claims against Released Parties. The Parties’ respective deadlines to respond to any filed or served pleadings or discovery requests are extended indefinitely.

HOW WILL THE ATTORNEYS FOR PLAINTIFFS GET PAID?

33. Plaintiffs’ counsel have not received any payment for their services in pursuing the claims asserted in the Consolidated Action, nor have plaintiffs’ counsel been reimbursed for their out-of-pocket expenses. Plaintiffs’ counsel invested their own resources for pursuing the Consolidated Action on a contingency basis, meaning they would only

recover their expenses and be compensated for their time if they created benefits through the Consolidated Action. In light of the risks undertaken in pursuing the Consolidated Action on a contingency basis and the benefits created for the Class through the Settlement and the prosecution of the Consolidated Action, Lead Counsel, on behalf of themselves and counsel for plaintiffs, intend to petition the Court for an award of attorneys' fees in an aggregate amount not to exceed 30% of the Settlement Amount plus reimbursement of expenses incurred in connection with the Consolidated Action (the "Fee Application"), which petition will be wholly inclusive of any request for attorneys' fees and expenses on behalf of any Class Member or his, her, or its counsel in connection with the Settlement. Defendants agree not to oppose this request and shall take no position as to the Fee Application. The Parties acknowledge and agree that any attorneys' fees and expenses awarded by the Court in the Consolidated Action to plaintiffs' counsel ("Fee and Expense Award") shall be paid solely from the Settlement Amount, and that none of Venoco, Defendants, or Defendants' insurers shall have any responsibility therefor other than as stated herein. The Fee Application shall be the only petition for attorneys' fees and expenses filed by or on behalf of plaintiffs and plaintiffs' counsel. The Parties shall cooperate in opposing any other petition for an award of attorneys' fees or reimbursement of expenses in connection with any other litigation concerning the Acquisition. In the event that the Court awards any attorneys' fees or reimbursement of expenses to counsel for any Class Member other than Lead Counsel in connection with the Settlement, such fees and/or expenses shall be paid out of the Settlement Amount and none of Venoco, Defendants, or Defendants' insurers shall have any responsibility therefor.

34. Lead Counsel warrant that no portion of any Fee and Expense Award shall be paid to any plaintiff or any Class Member, except as approved by the Court. Lead Counsel intend to petition the Court for incentive awards for Lead Plaintiffs not to exceed \$25,000 each to be paid from the Settlement Amount, subject to Court approval ("Incentive Award"). None of Venoco, any of the Defendants, or any of Defendants' insurers shall have any responsibility or liability for any claims, payments, or determinations in respect of any Incentive Award.

35. The Court will determine the amount of any Fee and Expense Award to plaintiffs' counsel and any Incentive Award to Lead Plaintiffs. Final resolution by the Court of the Fee Application or any Incentive Award shall not be a precondition to the Settlement or the dismissal of the Consolidated Action in accordance with the Settlement and the Stipulation, and the Fee Application and Incentive Awards may be considered separately from the Settlement. Neither any failure of the Court or any other court (including any appellate court) to approve the Fee Application or any Incentive Award in whole or in part, nor any other reduction, modification, or reversal of the award order or failure of the award order to become final, shall have any impact on the effectiveness of the Settlement, provide any of the Parties with the right to terminate the Settlement or the Stipulation, or affect or delay the binding effect or finality of the Order and Final Judgment and the release of the Released Claims.

**WHEN AND WHERE WILL THE SETTLEMENT HEARING BE HELD?
DO I HAVE THE RIGHT TO APPEAR AT THE SETTLEMENT HEARING?**

36. The Court will consider the Settlement and all matters related to the Settlement at the Settlement Hearing. The Settlement Hearing will be held before Vice Chancellor Sam Glasscock III on October 5, 2016 at 1:30 PM, in the Court of Chancery Courthouse, 34 The Circle, Georgetown, Delaware 19947.

37. Class Members who wish to participate in the Settlement shall complete and submit Proofs of Claim in accordance with the instructions contained therein. Unless the Court orders otherwise, all Proofs of Claim must be postmarked no later than December 5, 2016. Any Class Member who does not timely submit a Proof of Claim within the time provided for shall be barred from sharing in the distribution of the proceeds of the Net Settlement Amount, unless otherwise ordered by the Court or allowed by the Stipulation. Such Class Members, despite having failed to timely submit a Proof of Claim, shall continue to be bound by the terms of the Settlement.

38. Any Class Member who objects to the Settlement, the proposed Order and Final Judgment to be entered, the Fee Application, or any application for Incentive Awards to Lead Plaintiffs, or who otherwise wishes to be heard ("Objector"), may appear in person or through his, her, or its attorney at the Settlement Hearing and present any evidence or argument that may be proper and relevant; provided, however, that no Objector shall be heard or entitled to contest the approval of the terms and conditions of the Settlement, or, if approved, the Order and Final Judgment to be entered thereon, or the allowance of fees and expenses to Lead Counsel, or any Incentive Awards to Lead Plaintiffs, unless, no later than ten (10) business days before the Settlement Hearing (unless the Court in its discretion thereafter otherwise directs, upon application of such person and for good cause shown), such person files with the Register in Chancery, Court of Chancery, 500 North King Street, Wilmington, Delaware, 19801, the following: (a) proof of ownership of Venoco stock at any time between May 1, 2011, and October 3, 2012; (b) a written and signed notice of the Objector's intention to appear, which states the name, address and telephone number of Objector and, if represented, his, her or its counsel; (c) a detailed statement of the objections to any matter before the Court; and (d) a detailed statement of all of the grounds thereon and the reasons for the Objector's desire to appear and to be heard; and (e) all documents or writings which the Objector desires the Court to consider. Any such filings with the Court must also be served upon each of the following counsel (via LexisNexis e-service, by hand, by overnight delivery) on or before such filing:

<p>Carl L. Stine Matthew Insley-Pruitt WOLF POPPER LLP 845 Third Avenue New York, NY 10022 (212) 759-4600</p> <p>Stephen J. Oddo ROBBINS ARROYO LLP 600 B Street, Suite 1900 San Diego, CA 92101 (619) 525-3990</p> <p><i>Co-Lead Counsel for Plaintiffs</i></p>	<p>Kathaleen St. J. McCormick Paul J. Loughman YOUNG CONAWAY STARGATT & TAYLOR, LLP Rodney Square 1000 North King Street Wilmington, DE 19801 (302) 571-6600</p> <p><i>Attorneys for Defendant Venoco, Inc.</i></p>
<p>Gregory V. Varallo Richard Philip Rollo RICHARDS LAYTON & FINGER, P.A. One Rodney Square 920 North King Street Wilmington, DE 19801 (302) 651-7700</p> <p><i>Attorneys for Defendants Joel L. Reed, Donna Lucas, J.C. McFarland, M.W. Scoggins, Mark Snell, and Richard S. Walker</i></p>	<p>William Savitt John Lynch WACHTELL, LIPTON, ROSEN & KATZ 51 West 52nd Street New York, NY 10019 (212) 403-1000</p> <p>Kevin R. Shannon Brian C. Ralston POTTER ANDERSON & CORROON LLP 1313 North Market Street Wilmington, DE 19801 (302) 984-6000</p> <p><i>Attorneys for Defendants Timothy M. Marquez, Denver Parent Corporation, and Denver Merger Sub Corporation</i></p>

39. Any person or entity who fails to object in the manner prescribed above shall be deemed to have waived such objection (including the right to appeal), unless the Court in its discretion allows such objection to be heard at the Settlement Hearing, and shall forever be barred from raising such objection in this Consolidated Action or any other action or proceeding or otherwise contesting the Settlement, the Fee Application, any Incentive Award to Lead Plaintiffs, or other matter related to the Settlement, and will otherwise be bound by the Order and Final Judgment to be entered and the releases to be given.

**CAN I SEE THE COURT FILE?
WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?**

40. This Notice does not purport to be a comprehensive description of the Consolidated Action, the allegations related thereto, the terms of the Settlement, or the Settlement Hearing. For a more detailed statement of the matters involved in the Consolidated Action, you may inspect the pleadings, the Stipulation, the Orders entered by the Court, and other papers filed in the Consolidated Action at the Office of the Register in Chancery in the Court of Chancery of the State of Delaware, New Castle County Courthouse, 500 N. King Street, Wilmington, Delaware 19801, during regular business hours of each business day. You may also view a copy of the Stipulation at <http://www.venocoshareholderlitigation.com>. If you have questions regarding the Settlement, you may write or call Lead Counsel: Carl L. Stine, Wolf Popper LLP, 845 Third Avenue, New York, NY 10022, (212) 759-4600, and Stephen J. Oddo, Robbins Arroyo LLP, 600 B Street, Suite 1900, San Diego, CA 92101, (619) 525-3990.

DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE REGISTER IN CHANCERY REGARDING THIS NOTICE

NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP ON BEHALF OF OTHERS

41. Brokerage firms, banks, and other persons or entities who hold shares of Venoco common stock as record owners, but not as beneficial owners, are directed to either (a) promptly request from Lead Counsel sufficient copies of this Notice and Proof of Claim to forward to all such beneficial owners and after receipt of the requested copies promptly forward such Notices and Proofs of Claim to all such beneficial owners; or (b) promptly provide a list of the names and addresses of all such beneficial owners to Lead Counsel, who will promptly send copies of the Notice and Proof of Claim to such beneficial owners. Copies of this Notice may be obtained by calling the Paying Agent toll free at (855) 730-8655.

Dated: July 28, 2016

BY ORDER OF THE COURT
Register in Chancery