

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	Chapter 11
	:	
Falcon Gas Storage Company, Inc.	:	Case No: 12-11790 (SHL)
	:	
Debtor.	:	
	X	

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**Monthly Operating Report For the Period  
From November 1, 2013 to November 30, 2013**

DEBTOR'S POSTAL ADDRESS: Falcon Gas Storage Company, Inc.  
75 14th Street  
24th Floor  
Atlanta, GA 30309  
Tel: (404) 920 9000  
Fax: (404) 920 9001

DEBTOR'S REGISTERED ADDRESS:  
Falcon Gas Storage Company, Inc.  
75 14th Street  
24th Floor  
Atlanta, GA 30309  
Tel: (404) 920 9000  
Fax: (404) 920 9001

DEBTOR'S ATTORNEYS: Michael A. Rosenthal (MR-7006)  
Craig H. Millet (admitted pro hac vice)  
GIBSON, DUNN & CRUTCHER LLP  
200 Park Avenue  
New York, New York 10166-0193  
Telephone: (212) 351-4000  
Facsimile: (212) 351-4035

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents  
are true and correct to the best of my knowledge and belief.

/s/ Kevin Keough  
Kevin Keough  
Director  
Falcon Gas Storage Company, Inc.

12/19/2013

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re Falcon Gas Storage Company, Inc.  
Debtor

Case No. 12-11790 (SHL)  
Reporting Period: 11/1/2013 - 11/30/2013

Federal Tax I.D. # 76-0656572

**CORPORATE MONTHLY OPERATING REPORT**

<b>REQUIRED DOCUMENTS</b>	<b>Form No.</b>	<b>Document Attached</b>	<b>Explanation Attached</b>
Schedule of Cash Receipts and Disbursements	<a href="#">MOR-1</a>	x	
Bank Reconciliation (or copies of debtor's bank reconciliations)	<a href="#">MOR-1 (CONT)</a>	x	
Copies of bank statements			x
Cash disbursements journals			x
Statement of Operations	<a href="#">MOR-2</a>	x	
Balance Sheet	<a href="#">MOR-3</a>	x	
Status of Post-petition Taxes	<a href="#">MOR-4</a>	x	
Copies of IRS Form 6123 or payment receipt			x
Copies of tax returns filed during reporting period			x
Summary of Unpaid Post-petition Debts	<a href="#">MOR-4</a>		x
Listing of Aged Accounts Payable			x
Accounts Receivable Reconciliation and Aging	<a href="#">MOR-5</a>	x	
Taxes Reconciliation and Aging	<a href="#">MOR-5</a>	x	
Payments to Insiders and Professionals	<a href="#">MOR-6</a>	x	
Post Petition Status of Secured Notes, Leases Payable	<a href="#">MOR-6</a>	x	
Debtor Questionnaire	<a href="#">MOR-7</a>	x	

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re Falcon Gas Storage Company, Inc.  
**Debtor**

**Case No.** 12-11790 (SHL)  
**Reporting Period:** 11/1/2013 - 11/30/2013

**Federal Tax I.D. #** 76-0656572

**General Note:**

The financial statements and supplemental information contained herein are preliminary and unaudited.

The results of operations contained herein are not necessarily indicative of results which may be expected for any other period or for the full year and may not necessarily reflect the consolidated results of operations and financial positions of the Debtor in the future.

In re Falcon Gas Storage Company, Inc.  
**Debtor**

Case No. 12-11790 (SHL)  
Reporting Period: 11/1/2013 - 11/30/2013

**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

<b>Bank Accounts</b>	<b>Opening balance as at 11/1/2013</b>	<b>Receipts</b>	<b>Transfers</b>	<b>Disbursements</b>	<b>FX Fluctuation</b>	<b>Closing balance as at 11/30/2013</b>
JP Morgan Chase - 816818207	<b>100,106</b>	-	1,587,000	(1,609,265)	-	<b>77,841</b>
JP Morgan Chase - 2909243137	<b>4,023,536</b>	526	(1,587,000)	-	-	<b>2,437,062</b>
<b>Total Operating Accounts</b>	<b>4,123,641</b>	<b>526</b>	<b>-</b>	<b>(1,609,265)</b>	<b>-</b>	<b>2,514,903</b>

**Notes:**

1. The receipts are related to interest income of \$526.13.
2. The disbursements largely pertain to restructuring related expenses.

In re Falcon Gas Storage Company, Inc.  
Debtor

Case No. 12-11790 (SHL)  
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**BANK RECONCILIATIONS**  
**Continuation Sheet for MOR-1**

<b>GL#</b>	<b>Bank Name</b>	<b>Bank Balance</b>	<b>Deposits &amp; Transfers in Transit</b>	<b>O/S, Bank Service Charges, Adjustments to GL</b>	<b>Other Reconciling Items</b>	<b>GL Balance</b>
100-061	JP Morgan Chase - 816818207	77,841	-	-	-	77,841
	JP Morgan Chase - 2909243137	2,437,062	-	-	-	2,437,062
	<b>Total Cash &amp; Cash Equivalents</b>	<b>2,514,903</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,514,903</b>

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**STATEMENT OF OPERATIONS** (Income Statement)  
(in US Dollars)

**For the Period**  
**11/1/2013 - 11/30/2013**

Income	Note 1	526
<b>Total Income</b>		<b>\$ 526</b>
Operating expenses	Note 2	1,409,824
<b>Total Expenses</b>		<b>\$ 1,409,824</b>
<b>Net income (loss)</b>		<b>\$ (1,409,298)</b>

**Notes:**

1. The income pertains to interest income.
2. Operating expenses are largely comprised of legal fees.

In re Falcon Gas Storage Company, Inc.  
Debtor

Case No. 12-11790 (SHL)  
Reporting Period: 11/1/2013 - 11/30/2013

**BALANCE SHEET**  
(in US Dollars)

		<u>As of 10/31/2013</u>
<b>ASSETS</b>		
Cash		\$ 2,514,903
Other current assets	Note 1	71,928,089
Fixed assets		7,303
Other assets		43,332
<b>TOTAL ASSETS</b>		<b>\$ 74,493,627</b>
<b>LIABILITIES</b>		
Post petition liabilities		\$ 1,694,475
Accrued liabilities		1,140,000
Deferred tax liability	Note 2	4,623,787
<b>TOTAL POST-PETITION LIABILITIES</b>		<b>\$ 7,458,262</b>
Liabilities subject to Compromise		\$ 16,186
<b>TOTAL LIABILITIES</b>		<b>\$ 7,474,447</b>
<b>TOTAL EQUITY</b>		<b>\$ 67,019,180</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<b>\$ 74,493,627</b>

**Notes:**

1. This includes a receivable for approximately \$70 million which is currently held in an escrow account pending the resolution of ongoing litigation.

2. The deferred tax liabilities pertains to a gain on installment sale.

In re Falcon Gas Storage Company, Inc.  
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Case No. 12-11790 (SHL)  
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**STATUS OF POST-PETITION TAXES**

Federal	Beginning Tax	Amount Withheld and/or Accrued	Amount Paid	Ending Tax
<b>Total Taxes</b>				

Notes:

**SUMMARY OF PRE-PETITION DEBTS**

<u>DESCRIPTION</u>	Total
AP - Product	-
AP - Legal & Professional Fees	16,186
AP - Intercompany	-
<b>TOTAL LIABILITIES SUBJECT TO COMPROMISE</b>	<b>\$ 16,186</b>

Notes:



In re Falcon Gas Storage Company, Inc.  
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**ACCOUNTS RECEIVABLE RECONCILIATION AND AGING**

<b>Accounts Receivable Reconciliation</b>	<b>Amount</b>
Total Accounts Receivable at the beginning of the reporting period	\$ -
Plus: Amounts billed during the period	-
Less: Amounts collected during the period	-
Less: Amounts written off during the period	-
Less: Amounts reserved during the period	-
Change in store accounts receivable, net	-
Total Accounts Receivable at the end of the reporting period	\$ -

<b>Accounts Receivable Aging</b>	<b>9/30/2013</b>
0 - 30 days old	\$ -
31 - 60 days old	-
61 - 90 days old	-
91 - 120 days old	-
121+ days old	-
Total Aged Accounts Receivable	-
Store Accounts Receivable	-
Total Accounts Receivable	-
Less: Bad Debts (Amount considered uncollectible)	-
Net Accounts Receivable	\$ -

**TAXES RECONCILIATION AND AGING**

<b>Taxes Payable</b>	<b>Current</b>	<b>1-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91+ Days</b>	<b>Total</b>
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State and Local	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Taxes Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Notes:

In re Falcon Gas Storage Company, Inc.  
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**PAYMENTS TO INSIDERS AND PROFESSIONALS**

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
See note below			
TOTAL PAYMENTS TO INSIDERS			

**Notes:**

1. No payments incurred during this period.

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
A&M				\$ 30,420	\$ 10,877
A&M - Global Forensic & Dispute Services				-	57,605
Gibson Dunn				151,680	80,197
King & Spalding			1,586,538	2,340,505	1,611,041
TOTAL PAYMENTS TO PROFESSIONALS			<b>1,586,538</b>	<b>2,522,605</b>	<b>1,759,719</b>

\* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

**Notes:**

1. Total Paid to Date reflects payments through 11/30/2013.
2. Total Incurred & Unpaid reflects fee app/statements attributable to Falcon filed through 12/19/2013.

**POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS**

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENT DUE	AMOUNT PAID DURING MONTH	TOTAL UNPAID POST-PETITION
See note below			
TOTAL PAYMENTS		\$ -	\$ -

**Notes:**

1. No payments were made to secured creditors within this time period.

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**DEBTOR QUESTIONNAIRE**

<b>Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.</b>	<b>Yes</b>	<b>No</b>
1 Have any assets been sold or transferred outside the normal course of business this reporting period?		X
2 Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		X
3 Is the Debtor delinquent in the timely filing of any post-petition tax returns?		X
4 Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?		X
5 Is the Debtor delinquent in paying any insurance premium payment?		X
6 Have any payments been made on pre-petition liabilities this reporting period?		X
7 Are any post petition receivables (accounts, notes or loans) due from related parties?		X
8 Are any post petition payroll taxes past due?		X
9 Are any post petition State or Federal income taxes past due?		X
10 Are any post petition real estate taxes past due?		X
11 Are any other post petition taxes past due?		X
12 Have any pre-petition taxes been paid during this reporting period?		X
13 Are any amounts owed to post petition creditors delinquent?		X
14 Are any wage payments past due?		X
15 Have any post petition loans been received by the Debtor from any party?		X
16 Is the Debtor delinquent in paying any U.S. Trustee fees?		X
17 Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		X
18 Have the owners or shareholders received any compensation outside of the normal course of business?		X