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| <b>OMB APPROVAL</b>                             |           |
| OMB Number:                                     | 3235-0287 |
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

|  |   |  |
|--|---|--|
| 1. Name and Address of Reporting Person*<br><b>Hicks George G</b><br><br>(Last) (First) (Middle)<br><b>901 MARQUETTE AVE. S., SUITE 3300</b><br><br>(Street)<br><b>MINNEAPOLIS MN 055402</b><br><br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><b>LILIS ENERGY, INC. [ LLEX ]</b> | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><br><input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner<br><br>Officer (give title below) Other (specify below) |
|  | 3. Date of Earliest Transaction (Month/Day/Year)<br><b>03/05/2019</b>             |  |
| 4. If Amendment, Date of Original Filed (Month/Day/Year)   |   |  |

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3)                              | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) |   | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) |            |                | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--------------------------------------|--|--------------------------------|---|---|------------|----------------|---|--|---|
|  |                                      |  | Code                           | V | Amount  | (A) or (D) | Price          |   |  |   |
| Common Stock   | 03/05/2019                           |  | J                              |   | 17,641,638  | A          | \$1.88         | 47,594,401  | I  | See footnote <sup>(1)(2)(3)(17)(18)</sup>             |
| Series C-1 9.75% Non-Convertible Participating Preferred     | 03/05/2019                           |  | J                              |   | 100,000   | A          | <sup>(3)</sup> | 100,000   | I  | See footnotes <sup>(3)(17)(18)</sup>                  |
| Series C-2 9.75% Non-Convertible Participating Preferred     | 03/05/2019                           |  | J                              |   | 25,000  | A          | <sup>(3)</sup> | 25,000  | I  | See footnotes <sup>(3)(17)(18)</sup>                  |
| Series D 8.25% Non-Convertible Participating Preferred Stock | 03/05/2019                           |  | J                              |   | 39,254  | A          | <sup>(3)</sup> | 39,254  | I  | See footnotes <sup>(3)(17)(18)</sup>                  |
| Series F 9.00% Participating Preferred Stock                 | 03/05/2019                           |  | J                              |   | 55,000  | A          | \$1,000        | 55,000  | I  | See footnote <sup>(1)(2)(17)(18)</sup>                |

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3)                 | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) |   | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) |     | 6. Date Exercisable and Expiration Date (Month/Day/Year) |                 | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) |                               | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|--|-----------------|---|-------------------------------|--|--|---|--|
|  |  |                                      |  | Code                           | V | (A)  | (D) | Date Exercisable   | Expiration Date | Title   | Amount or Number of Shares    |  |  |   |  |
| Series E 8.25% Convertible Participating Preferred Stock   | \$2.5  | 03/05/2019                           |  | J                              |   | 60,000   |     | 03/05/2019   | <sup>(12)</sup> | Common Stock, \$0.001 par value   | 24,000,000 <sup>(4)(5)</sup>  | \$1,000                                    | 60,000   | I   | See footnotes <sup>(1)(2)(4)(5)(17)(18)</sup>          |
| Series C-1 9.75% Convertible Participating Preferred Stock | \$6.15   | 03/05/2019                           |  | J                              |   | 100,000  |     | 01/30/2018   | <sup>(13)</sup> | Common Stock, \$0.001 par value   | 22,557,822 <sup>(6)(7)</sup>  | \$1.88                                     | 0  | I   | See footnotes <sup>(3)(17)(18)</sup>                   |
| Series C-2 9.75% Convertible Participating Preferred Stock | \$6.15   | 03/05/2019                           |  | J                              |   | 25,000   |     | 10/10/2018   | <sup>(14)</sup> | Common Stock, \$0.001 par value   | 5,278,553 <sup>(8)(9)</sup>   | \$1.88                                     | 0  | I   | See footnotes <sup>(3)(17)(18)</sup>                   |
| Series D 8.25% Convertible Participating Preferred Stock   | \$5.5  | 03/05/2019                           |  | J                              |   | 39,254   |     | 10/10/2018   | <sup>(15)</sup> | Common Stock, \$0.001 par value   | 8,661,146 <sup>(10)(11)</sup> | \$1.88                                     | 0  | I   | See footnotes <sup>(3)(17)(18)</sup>                   |
| Convertible Debt   | \$5.5  | 03/05/2019                           |  | J                              |   | \$109,360,329  |     | 10/10/2018   | 04/26/2021      | Common Stock, \$0.001 par value   | 17,001,945 <sup>(16)</sup>    | \$1.88                                     | 0  | I   | See footnotes <sup>(1)(2)(16)(17)(18)</sup>            |

1. Name and Address of Reporting Person\*

[Hicks George G](#)

(Last) (First) (Middle)

901 MARQUETTE AVE. S., SUITE 3300

(Street)

MINNEAPOLIS MN 055402

(City) (State) (Zip)

1. Name and Address of Reporting Person\*

[Varde Fund VI-A, L.P.](#)

(Last) (First) (Middle)

901 MARQUETTE AVE. S., SUITE 3300

(Street)

MINNEAPOLIS MN 055402

(City) (State) (Zip)

1. Name and Address of Reporting Person\*

[VARDE INVESTMENT PARTNERS LP](#)

(Last) (First) (Middle)

901 MARQUETTE AVE. S., SUITE 3300

(Street)

MINNEAPOLIS MN 055402

(City) (State) (Zip)

1. Name and Address of Reporting Person\*

[Varde Investment Partners G.P., LLC](#)

(Last) (First) (Middle)

901 MARQUETTE AVE. S., SUITE 3300

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MINNEAPOLIS MN 055402

(City) (State) (Zip)

1. Name and Address of Reporting Person\*

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(Last) (First) (Middle)

901 MARQUETTE AVE. S., SUITE 3300

(Street)

MINNEAPOLIS MN 055402

(City) (State) (Zip)

1. Name and Address of Reporting Person\*

**VARDE PARTNERS INC**

(Last) (First) (Middle)

901 MARQUETTE AVE. S., SUITE 3300

(Street)

MINNEAPOLIS MN 055402

(City) (State) (Zip)

**Explanation of Responses:**

1. Pursuant to the Transaction Agreement, dated as of March 5, 2019 (the "Transaction Agreement"), by and among the Issuer and The Varde Fund XI (Master), L.P. ("Fund XI"), The Varde Fund XII (Master), L.P. ("Fund XII"), The Varde Skyway Mini-Master Fund, L.P. ("Mini-Master"), The Varde Skyway Fund, L.P. ("Varde Skyway Fund"), Varde Investment Partners, L.P. ("VIP"), Varde Investment Partners (Offshore) Master, L.P. ("VIPO") and the Varde Fund VI-A L.P. ("Fund VI-A" and, collectively with Fund XI, Fund XII, VIP, VIPO, and Fund VI-A, the "Varde Parties"), the Issuer issued to the Varde Parties, as consideration for the termination of the Credit Agreement, dated as of April 26, 2017, by and among the Issuer, the lenders from time to time party thereto, the guarantors from time to time party thereto, Varde Partners, Inc. as lead lender, and Wilmington Trust, National Association, as Administrative Agent for the existing lenders (the "Term Loan Credit Agreement"), including the
2. (Continued from Footnote 1) cancellation of the convertible debt securities issued thereunder (the "Convertible Debt"), and the satisfaction in full of all indebtedness, liabilities and other Obligations (as defined in the Term Loan Credit Agreement), together with accrued and unpaid interest thereon and the Make-Whole Amount (as defined in the Term Loan Credit Agreement), (i) 9,891,638 shares of the Issuer's Common Stock, (ii) 60,000 shares of the Issuer's Series E 8.25% Convertible Participating Preferred Stock (the "Series E Preferred Stock"), and (iii) 55,000 shares of the Issuer's Series F 9.00% Participating Preferred Stock (the "Series F Preferred Stock").
3. Also pursuant to the Transaction Agreement, the Issuer issued to the Varde Parties 7,750,000 shares of Common Stock as consideration for the amendment and restatement of (i) the Certificate of Designation of Preferences, Rights and Limitations of Series C-1 9.75% Convertible Participating Preferred Stock and Series C-2 9.75% Convertible Participating Preferred Stock (the "Series C Certificate of Designation") and (ii) the Certificate of Designation of Preferences, Rights and Limitations of Series D 8.25% Convertible Participating Preferred Stock (the "Series D Certificate of Designation").
4. The amount reported reflects the amount of shares of Common Stock issuable upon conversion of the Series E Preferred Stock. The Issuer has the right to redeem the Series E Preferred Stock, in whole or in part, at any time (subject to certain limitations on partial redemptions), at a price per share equal to (i) stated value of \$1,000, subject to increase in connection with the payment of dividends (the "Series E Stated Value") then in effect multiplied by (a) 110% if redeemed on or prior to the first anniversary of March 5, 2019 (the "Original Issue Date"), (b) 105% if redeemed after the first anniversary of the Original Issue Date and on or prior to the second anniversary of the Original Issue Date or (c) 100% if redeemed after the second anniversary of the Original Issue Date, plus (ii) accrued and unpaid dividends thereon and any other amounts payable by the Issuer in respect thereof (the "Series E Optional Redemption Amount").
5. (Continued from Footnote 4). Each share of Series E Preferred Stock is convertible at any time at the option of the holder into a number of shares of Common Stock equal to (i) the applicable Series E Optional Redemption Amount divided by (ii) a conversion price of \$2.50, subject to adjustment (the "Series E Conversion Price"). Following the closing of the Transaction Agreement, the aggregate number of shares of Series E Preferred Stock became immediately convertible into 24,000,000 shares of Common Stock, based on an initial Series E Conversion Price of \$2.50 and the initial Series E Optional Redemption Amount of 110% of the Series E Stated Value.
6. Prior to the amendment and restatement of the Series C Certificate of Designation as described in Footnote 3 above, the Issuer had the right to redeem the Series C-1 Preferred Stock, in whole or in part, at any time (subject to certain limitations on partial redemptions), at a price per share equal to (i) stated value of \$1,000, subject to increase in connection with the payment of dividends (the "Series C-1 Stated Value") then in effect multiplied by (a) 120% if redeemed during 2018, (b) 125% if redeemed after 2019 plus (ii) accrued and unpaid dividends thereon and any other amounts payable by the Issuer in respect thereof (the "Series C-1 Optional Redemption Amount"). Prior to the amendment and restatement of the Series C Certificate of Designation, each share of Series C-1 Preferred Stock was convertible at any time at the option of the holder into a number of shares of Common Stock equal to
7. (Continued from Footnote 6) (i) the applicable Series C-1 Optional Redemption Amount divided by (ii) a conversion price of \$6.15, subject to adjustment (the "Series C-1 Conversion Price"). The amount reported reflects the amount of shares of Common Stock issuable upon conversion of the Series C-1 Preferred Stock as of March 1, 2019, based on a Series C-1 Conversion Price of \$6.15 and a Series C-1 Optional Redemption Amount of 125% of the Series C-1 Stated Value.
8. Prior to the amendment and restatement of the Series C Certificate of Designation as described in Footnote 3 above, the Issuer had the right to redeem the Series C-2 Preferred Stock, in whole or in part, at any time (subject to certain limitations on partial redemptions), at a price per share equal to (i) stated value of \$1,000, subject to increase in connection with the payment of dividends (the "Series C-2 Stated Value") then in effect multiplied by (a) 120% if redeemed during 2018, (b) 125% if redeemed during 2019, or (c) 130% if redeemed after 2019 plus (ii) accrued and unpaid dividends thereon and any other amounts payable by the Issuer in respect thereof (the "Series C-2 Optional Redemption Amount"). Prior to the amendment and restatement of the Series C Certificate of Designation, each share of Series C-2 Preferred Stock was convertible at any time at the option of the holder into a number of shares of Common Stock equal to
9. (Continued from Footnote 8) (i) the applicable Series C-1 Optional Redemption Amount divided by (ii) a conversion price of \$6.15, subject to adjustment (the "Series C-2 Conversion Price"). The amount reported reflects the amount of shares of Common Stock issuable upon conversion of the Series C-2 Preferred Stock as of March 1, 2019, based on a Series C-2 Conversion Price of \$6.15 and a Series C-2 Optional Redemption Amount of 125% of the Series C-2 Stated Value.
10. Prior to the amendment and restatement of the Series D Certificate of Designation as described in Footnote 3 above, the Issuer had the right to redeem the Series D Preferred Stock, in whole or in part, at any time (subject to certain limitations on partial redemptions), at a price per share equal to (i) stated value of \$1,000, subject to increase in connection with the payment of dividends (the "Series D Stated Value") then in effect multiplied by 117.5%, plus (ii) accrued and unpaid dividends thereon and any other amounts payable by the Issuer in respect thereof (the "Series D Optional Redemption Amount"). Prior to the amendment and restatement of the Series D Certificate of Designation, each share of Series D Preferred Stock was convertible at any time at the option of the holder into a number of shares of Common Stock equal to
11. (Continued from Footnote 10) (i) the applicable Series D Optional Redemption Amount divided by (ii) a conversion price of \$5.50, subject to adjustment (the "Series D Conversion Price"). The amount reported reflects the amount of shares of Common Stock issuable upon conversion of the Series D Preferred Stock as of March 1, 2019, based on a Series D Conversion Price of \$5.50 and a Series D Optional Redemption Amount of 117.5% of the Series D Stated Value.
12. The Series E Preferred Stock is perpetual and has no expiration date.
13. The Series C-1 Preferred Stock is perpetual and has no expiration date.
14. The Series C-2 Preferred Stock is perpetual and has no expiration date.
15. The Series D Preferred Stock is perpetual and has no expiration date.
16. The amount reported reflects the amount of shares of Common Stock issuable upon conversion of the Convertible Debt as of March 1, 2019.
17. Reflects securities held directly or indirectly by Fund XI, Fund XII, Skyway Fund, Mini-Master, Varde Skyway Fund, VIPO, Fund VI-A and VIP. The Varde Fund XI G.P., LLC ("Fund XI GP") is the general partner of Fund XI. The Varde Fund XII G.P., L.P. ("Fund XII GP") is the general partner of Fund XII, and The Varde Fund XII UGP, LLC ("Fund XII UGP") is the general partner of Fund XII GP. The Varde Skyway Fund G.P., LLC ("Skyway Fund GP") is the general partner of Mini-Master and Varde Skyway Fund. Varde Investment Partners G.P., LLC ("VIP GP") is the general partner of VIPO. VIP GP is the general partner of Fund VI-A. VIP GP is the general partner of Fund VIP. Varde Partners, L.P. ("Managing Member") is the managing member of each of Fund XI GP, Fund XII UGP, Skyway Fund GP and VIP GP. Varde Partners, Inc. ("General Partner") is the general partner of the Managing Member. Following the transaction described above,
18. (Continued from Footnote 17) George G. Hicks may be deemed to beneficially own all of the securities which may be acquired upon conversion of the Series E Preferred Stock because, as the chief executive officer of the General Partner, he may be deemed to have voting and/or dispositive power over such securities. Each of the Reporting Persons (other than to the extent it directly holds securities reported herein) disclaims beneficial ownership of the securities held by the other Reporting Persons, except to the extent of such Reporting Person's pecuniary interest therein, and, pursuant to Rule 16a-1(a)(4) under the Securities Exchange Act of 1934, each of the Reporting Persons (other than to the extent it directly holds securities reported herein) states that the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership of all of the reported securities for purposes of Section 16 or for any other purpose.

**Remarks:**

Due to limitations of the electronic filing system, certain Reporting Persons are filing a separate Form 4. Markus Specks, Managing Director of Varde Partners, Inc. and John Johanning, Director of Varde Partners, Inc., serve on the Issuer's Board of Directors as the Varde Parties' representatives. Therefore, for purposes of Section 16 of the Securities Exchange Act of 1934, the Varde Parties may be deemed directors by deputization of the Issuer.

THE VARDE FUND VI-A,  
L.P., By: Varde Investment  
Partners G.P., LLC, Its General  
Partner, By: Varde Partners,  
L.P., Its Managing Member, 03/06/2019  
By: Varde Partners, Inc., Its  
General Partner, By: /s/ David  
A. Marple, Name: David A.  
Marple, Title: General  
Counsel

VARDE INVESTMENT  
PARTNERS, L.P., By: Varde  
Investment Partners G.P., LLC,  
Its General Partner, By: Varde  
Partners, L.P., By: Varde 03/06/2019  
Partners, Inc., By: /s/ David A.  
Marple, Name: David A.  
Marple, Title: General  
Counsel

VARDE INVESTMENT  
PARTNERS G.P., LLC, By:  
Varde Partners, L.P., Its  
Managing Member, By: Varde  
Partners, Inc., Its General 03/06/2019  
Partner, By: /s/ David A.  
Marple, Name: David A.  
Marple, Title: General  
Counsel

VARDE PARTNERS, L.P., By:  
Varde Partners, Inc., Its  
General Partner, By: /s/ David  
A. Marple, Name: David A. 03/06/2019  
Marple, Title: General  
Counsel

VARDE PARTNERS, INC.,  
By: /s/ David A. Marple, 03/06/2019  
Name: David A. Marple, Title:  
General Counsel

\*\* Signature of Reporting Person      Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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