
What did EXCO announce?

- On January 15, 2018, EXCO and certain of its subsidiaries filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas to facilitate a restructuring of the Company's balance sheet.
- This action was taken to enable EXCO to operate in the ordinary course of business as it continues to engage in constructive discussions with its creditor constituencies regarding the terms of a financial restructuring plan.
- In conjunction with this process, EXCO will also explore potential strategic alternatives to maximize value for the benefit of its stakeholders, including the marketing of the Company's assets. This marketing process may or may not result in a sale of some or all of the Company's assets.
- EXCO has received a commitment of \$250 million in debtor-in-possession financing from certain of its existing lenders, which, subject to court approval, is expected to support the Company's day-to-day operations during the restructuring process.

What is Chapter 11?

- Chapter 11 is the section of the U.S. Bankruptcy Code that allows companies to implement financial restructurings through a court-supervised proceeding while continuing to operate their businesses.

Why did EXCO file for Chapter 11?

- Like many other companies in the industry, EXCO's financial position has been negatively impacted by the sustained downturn in commodity prices and uncertainty in the energy market.
- Despite having taken actions to mitigate the impact of these factors, the Company continues to face increasing liquidity pressures as it navigates the competitive environment.
- The financial restructuring will enable EXCO to strength its balance sheet as it continues to operate in the ordinary course of business.
- With its strong asset base and operational expertise, the Company remains confident in its ability to deliver value for the benefit of its stakeholders.

Will EXCO be going out of business?

- It is important to understand that this is a financial restructuring and the Company's operations will continue by-and-large in the ordinary course of business during this court-supervised process.
- As previously announced in December, the Company received a commitment of \$250 million in debtor-in-possession financing from certain of its existing lenders to continue financing its operations and pay down its RBL.
- Importantly, with its strong asset base and operational expertise, the Company remains confident in its ability to deliver value for the benefit of its stakeholders.

Is EXCO for sale?

- As EXCO continues to engage in constructive discussions with its creditor constituencies on its financial restructuring plan, the Company will also explore potential strategic alternatives to maximize value for the benefit of its stakeholders, including the marketing of the Company's assets.
- This marketing process may or may not result in a sale of some or all of the Company's assets.
- With its strong asset base and operational expertise, the Company remains confident in its ability to deliver value for the benefit of its stakeholders.

How will the restructuring process affect day-to-day operations?

- This is a financial restructuring and the Company's operations will continue by-and-large in the ordinary course of business during this court-supervised process.
- The Company intends to meet its obligations to vendors and business partners for goods and services provided on or after the Chapter 11 filing date, which will allow EXCO's basic business operations to continue.
- For goods and services provided prior to filing, the Company has filed a motion seeking the authority to pay certain of its vendors and suppliers.

Given the uncertainties of the situation, can I renegotiate my terms with you?

- The Company's operations will continue by-and-large in the ordinary course of business during this court-supervised process.
- The Company is not in a position to renegotiate terms with partners at this time.
- EXCO values the important relationships the Company has developed with its partners and will continue to work closely with them.

Does EXCO have sufficient liquidity to meet its business obligations?

- The Company expects to have sufficient liquidity to continue operations and meet its business obligations during the financial restructuring.
- EXCO has received a commitment of \$250 million in debtor-in-possession financing from certain of its existing lenders, which, subject to court approval, is expected to support the Company's day-to-day operations during the restructuring process.

When is EXCO expected to emerge from Chapter 11?

- There is no definitive time frame for how long a company remains in Chapter 11.
- EXCO intends to move through this restructuring process as quickly as possible.

What does this mean for royalty owners? Will royalty owners still be paid?

- EXCO's operations will continue by-and-large in the ordinary course of business during this court-supervised restructuring process.
- The Company intends to continue making royalty payments on a go-forward basis according to the terms of its agreements.
- The Company has sufficient funds to run its day-to-day business and, as previously announced in December, has received a commitment for \$250 million in debtor-in-possession financing.
- Should royalty owners have questions, they should continue to deal with their usual contact at EXCO throughout this process.

Can royalty owners cash royalty checks received before or after the filing date?

- The Company intends to continue making royalty payments on a go-forward basis according to the terms of its agreements.
- The Company is seeking court approval authorizing all checks to royalty owners issued prior to or after the filing date to be honored by banks.
- If for any reason a check is not honored prior to or after the Chapter 11 filing, please contact EXCO's information hotline at (888) 788-9449 and the issue will be escalated as quickly as possible.

Will EXCO continue to work with its working interests and JIB partners? Will working interest and JIB partners be affected?

- The Company's operations will continue by-and-large in the ordinary course of business during this court-supervised restructuring process.
- The Company intends to continue making payments on a go-forward basis under its agreements with the Company's working interest and JIB partners.
- The Company has sufficient funds to run its day-to-day business and as previously announced in December, has received a commitment for \$250 million in debtor-in-possession financing.
- Should working interests or JIB partners have questions, they should continue to deal with their usual contact at EXCO throughout this process.

Will my company contact remain the same?

- Yes, company contacts remain the same.

Where can I get updates and additional information?

- Information on the Chapter 11 filing is available at a website administered by the Company's claims agent, Epiq Systems, at <http://dm.epiq11.com/EXCO>.
- Information is also available by calling (800) 683-4332.