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## What did EXCO announce and why now?

- 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 pressure as it navigates the competitive environment.
- The financial restructuring will enable EXCO to strengthen 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.

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## Is EXCO for sale?

- As EXCO continues to engage in constructive discussions with its creditor constituencies regarding the terms of 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 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.

## 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.

## Will vendors be paid for goods or services after the filing date?

- EXCO expects to issue payments in the normal course for goods and services provided on or after the filing date of January 15, 2018.
- Invoices for goods and services provided after the filing date should be submitted through the typical accounts payable channels and payments will be processed in accordance with contract terms, if applicable.
- EXCO values the important relationships that it has developed with its vendors and the Company intends to work closely with them throughout this process and in the future.

## Will vendors be paid for goods and services delivered prior to the filing date?

- The Company has filed a motion seeking the authority to pay certain vendors and suppliers who would otherwise have a lien for goods and services provided prior to January 15, 2018.

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## What about other vendors and suppliers who are not potential lienholders?

- Regardless of whether a claimant is a potential lienholder, claimants will have the opportunity to file a proof of claim against the Debtors by a deadline (i.e., the "Claims Bar Date") that will be approved by the Bankruptcy Court in the Debtors Chapter 11 cases.
- Information regarding how to file a proof of claim and the deadline by which proofs of claims must be filed will be posted on the Debtors' case website at <http://dm.epiq11.com/EXCO>.
- If you have any question regarding lien-ability, please contact your legal counsel or contact the EXCO information hotline by calling (800) 683-4332.

## Will EXCO continue to order goods and services from its vendors?

- EXCO's operations will continue by-and-large in the ordinary course of business during this court-supervised financial restructuring process.
- The Company expects to continue some drilling and completion activities and the cooperation and continued supply of goods and services of the Company's vendors will allow EXCO to maintain its production.
- The Company expects to issue payments in the normal course for goods and services provided on or after the filing date.
- EXCO values the important relationship it has developed with its vendors and the Company will continue to work closely with its vendors throughout this process and into the future.

## 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 vendors at this time.
- EXCO values the important relationships the Company has developed with its vendors and will continue to work closely with them.

## How do I file a proof of claim?

- EXCO's claims agent, Epiq Systems, will provide the appropriate forms once a deadline for filing claims has been set.
- Proof of claim forms and other information about the claims process will be available at the following website: <http://dm.epiq11.com/EXCO>.

## When do you expect to complete the Chapter 11 process?

- 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.

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## **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.