

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	Chapter 11
	§	
EXCO RESOURCES, INC., <i>et al.</i> , ¹	§	Case No. 18-30155 (MI)
	§	
Debtors.	§	Jointly Administered
	§	

**APPLICATION OF THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF EXCO RESOURCES, INC., *ET AL.*,
FOR ENTRY OF AN ORDER AUTHORIZING THE COMMITTEE TO RETAIN
AND EMPLOY JEFFERIES LLC AS CO-INVESTMENT
BANKER PURSUANT TO 11 U.S.C. §§ 328(a) AND 1103(a)**

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEYS.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: EXCO Resources, Inc. (2779); EXCO GP Partners Old, LP (1262); EXCO Holding (PA), Inc. (1745); EXCO Holding MLP, Inc. (1972); EXCO Land Company, LLC (9981); EXCO Midcontinent MLP, LLC (0557); EXCO Operating Company, LP (1261); EXCO Partners GP, LLC (1258); EXCO Partners OLP GP, LLC (1252); EXCO Production Company (PA), LLC (7701); EXCO Production Company (WV), LLC (7851); EXCO Resources (XA), LLC (7775); EXCO Services, Inc. (2747); Raider Marketing GP, LLC (6366); and Raider Marketing, LP (4295). The location of the Debtors' service address is: 12377 Merit Drive, Suite 1700, Dallas, Texas 75251.

The Official Committee of Unsecured Creditors (the “Committee”) of EXCO Resources, Inc. and its affiliated debtors and debtors in possession (collectively, the “Debtors”) hereby submits this application (the “Application”), pursuant to sections 328(a) and 1103(a) of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rules 2014-1 and 2016-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “Local Bankruptcy Rules”) for entry of an order (the “Proposed Order”) (a) authorizing the Committee to retain and employ Jefferies LLC (“Jefferies”) as its co-investment banker, *nunc pro tunc* to June 29, 2018, pursuant to that certain engagement letter between Jefferies and the Committee dated as of June 29, 2018 (the “Engagement Letter”),² a copy of which is attached hereto as **Exhibit B**, (b) modifying certain time-keeping requirements of Bankruptcy Rule 2016(a) and Local Bankruptcy Rule 2016-1 and (c) granting related relief. In support of this Application, the Committee submits the declaration of Matthew J. Hart (“Hart”), Managing Director at Jefferies (the “Hart Declaration”), attached hereto as **Exhibit A** and incorporated herein by reference. In further support of this Application, the Committee respectfully represents as follows:

JURISDICTION, VENUE, AND STATUTORY AND LEGAL PREDICATES

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The statutory and legal predicates for the relief requested herein are sections 328(a) and 1103 of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016, and Local Bankruptcy Rules 2014-1 and 2016-1.

² All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Engagement Letter.

BACKGROUND

2. Shortly after its formation, the Committee engaged Intrepid Partners, LLC (“Intrepid”) as its investment banker pursuant to an engagement letter dated as of January 30, 2018 (the “Intrepid Engagement Letter”). By an order dated April 18, 2018, the Court entered an order authorizing the Committee’s retention of Intrepid pursuant to the Intrepid Engagement Letter *nunc pro tunc* to January 30, 2018 [Docket No. 655] (the “Intrepid Retention Order”).

3. Since Intrepid’s engagement by the Committee, Matthew Hart has led the team of Intrepid restructuring professionals advising the Committee in these cases. Mr. Hart, however, recently joined the restructuring department at Jefferies.

4. The Committee wishes to continue to utilize the services of and be advised by the Intrepid team including Mr. Hart who is now at Jefferies. Accordingly, Intrepid and Jefferies have agreed to work as co-investment bankers for the Committee in these cases on the same terms and conditions previously approved by the Court in the Intrepid Retention Order.³ Specifically, Intrepid and Jefferies have agreed that they will each be paid 50% of any compensation due under the Intrepid Retention Order from and after June 29, 2018. All other terms and conditions of employment as previously approved by the Court will remain the same.

5. Accordingly, by this Application, the Committee requests entry of the Proposed Order (a) authorizing the Committee to retain and employ Jefferies as its co-investment banker pursuant to the Engagement Letter effective June 29, 2018, (b) modifying certain time-keeping requirements of Bankruptcy Rule 2016(a) and Local Bankruptcy Rule 2016-1 and (c) granting related relief. By separate application, the Committee has requested entry of an order that will

³ Jefferies’ agreement to be co-investment banker with Intrepid is contingent upon the entry of an order reducing Intrepid’s fees pursuant to the Intrepid Amendment Motion (as defined below).

amend the Intrepid Retention Order to reduce by 50% fees due to Intrepid from and after June 29, 2018 (the “Intrepid Amendment Motion”).

JEFFERIES’ QUALIFICATIONS AND THE NEED FOR JEFFERIES’ SERVICES

6. Jefferies has extensive experience in matters involving complex financial restructurings and an excellent reputation for the services that it has rendered in chapter 11 cases on behalf of debtors and creditor constituencies throughout the United States. As noted above, moreover, Matthew Hart, who has led the team of Intrepid professionals advising the Committee, has recently moved to Jefferies.

7. As set forth in the Hart Declaration, Jefferies is a full-service investment banking firm, with approximately 3,900 employees in more than 30 offices around the world. Jefferies and its senior professionals have extensive expertise providing investment banking services to financially distressed companies, creditors, committees, equity holders, asset purchasers and other constituencies in reorganization proceedings and complex financial restructurings, both in and out of court. Jefferies and its professionals are providing or have provided investment banking, financial advisory and other services in connection with the following recent cases, among others: *In re M & G USA Corp.*, Case No. 17-12307 (Bankr. D. Del. Jan. 5, 2018); *In re Real Indus., Inc.*, Case No. 17-12464 (Bankr. D. Del. Dec. 19, 2017); *In re Avaya Inc.*, Case No. 17-10089 (Bankr. S.D.N.Y. Apr. 28, 2017); *In re La Paloma Generating Co., LLC*, Case No. 16-12700 (Bankr. D. Del. Jan. 17, 2017); *In re Golfsmith Int’l Holdings, Inc.*, Case No. 16-12033 (Bankr. D. Del. Oct. 13, 2016); *In re Roadhouse Holding, Inc.*, Case No. 16-11819 (Bankr. D. Del. Aug. 31, 2016); *In re Warren Res., Inc.*, Case No. 16-32760 (Bankr. S.D. Tex. July 13, 2016); *In re Peabody Energy Corp.*, Case No. 16-42529 (Bankr. E.D. Mo. June 17, 2016); *In re Arch Coal, Inc.*, Case No. 16-40120 (Bankr. E.D. Mo. Mar. 21, 2016); *In re Aspect Software*

Parent, Inc., Case No. 16-10597 (Bankr. D. Del. Apr. 21, 2016); *In re Sundevil Power Holdings, LLC*, Case No. 16-10369 (Bankr. D. Del. Apr. 7, 2016); *In re Alpha Natural Res., Inc.*, Case No. 15-33896 (Bankr. E.D. Va. Oct. 16, 2015); *In re Patriot Coal Corp.*, Case No. 15-32450 (Bankr. E.D. Va. July 9, 2015); *In re The Standard Register Co.*, Case No. 15-10541 (Bankr. D. Del. June 10, 2015); *In re EveryWare Global, Inc.*, Case No. 15-10743 (Bankr. D. Del. May 20, 2015); *In re Caesars Entm't Operating Co., Inc.*, Case No. 15-01145 (Bankr. N.D. Ill. Mar. 26, 2015); *In re K-V Discovery Solutions, Inc.*, No. 12-13346 (ALG) (Bankr. S.D.N.Y. Oct. 10, 2012); *In re Eastman-Kodak Co.*, No. 12-10202 (ALG) (Bankr. S.D.N.Y. Apr. 19, 2012); *In re Borders Grp., Inc.*, No. 11-10614 (MG) (Bankr. S.D.N.Y. Mar. 16, 2011); *In re MSR Golf Resort LLC*, No. 11-10372 (SHL) (Bankr. S.D.N.Y. Feb. 1, 2011); *In re Extended Stay Inc.*, No. 09-13764 (JMP) (Bankr. S.D.N.Y. Aug. 13, 2009); and *In re DBSD N. Am., Inc.*, No. 09-13061 (REG) (Bankr. S.D.N.Y. July 22, 2009).

SCOPE OF SERVICES

8. Subject to the Court's approval, Jefferies and the Committee entered into the Engagement Letter, which governs the relationship between them. Jefferies, as co-investment banker working alongside Intrepid, will be responsible for providing the Committee the specific services delineated below. These services are the same services approved by the Intrepid Retention Order. These services include:⁴

- (a) Assist the Committee in reviewing and analyzing proposals for proposed DIP financing or use of cash collateral;
- (b) Analyze various restructuring scenarios and the potential impact of these scenarios on the recoveries of creditors by a Restructuring;

⁴ To the extent there is any inconsistency between this summary of the services set forth in the Engagement Letter and the terms of the Engagement Letter, the terms of the Engagement Letter shall control.

- (c) Value securities or other consideration offered by the Company to its creditors in connection with a Restructuring;
- (d) Assist the Committee in valuing the enterprise, the Company's assets and recoveries under proposed plans of reorganization;
- (e) Provide the Committee and the Committee's counsel with industry expertise and capital markets perspectives, to assist in evaluating the Debtors' business plan and any proposed plans of reorganization;
- (f) Assist the Committee in evaluating the Company's debt capacity in the determination of an appropriate capital structure for the Company, and providing the Committee with analysis and advice with respect to any proposed capital structure for the Company;
- (g) Advise and assist the Committee and, at the Committee's direction, participate in negotiations of any Restructuring;
- (h) Meet with the Committee, the Company's management, the Company's board of directors and other creditor groups, equity holders or other parties in interest (in each case who are institutional parties or represented by an advisor) to discuss any Restructuring alternatives or proposals;
- (i) Assess and advise the Committee with respect to the post-petition marketing process and identify strategic or financial parties that may not have been identified or pursued by the Company;
- (j) Provide expert witness testimony concerning any of the subjects encompassed by the investment banking services;
- (k) Assist the Committee in valuing any unencumbered assets of the Debtors' estates;
- (l) Participate in hearings before the Bankruptcy Court (as defined herein) and provide testimony as required by the Committee; and
- (m) Such other investment banking services in connection with a Restructuring as Jefferies and the Committee may agree.

9. As noted above, this Application requests that Jefferies be retained as co-investment banker alongside Intrepid. Specifically, by retaining Jefferies, the Committee will be able to continue to receive the services of Mr. Hart, alongside the team of Intrepid professionals that Mr. Hart has led up until his departure from Intrepid.

PROFESSIONAL COMPENSATION

10. Subject to the Court's approval, Jefferies and Intrepid have agreed that Jefferies and Intrepid will each be paid 50% of any compensation payable under the previously approved Intrepid Retention Order from and after June 29, 2018. Indeed, no additional fees will be incurred as a result of Jefferies' retention. In addition, the Debtors shall reimburse Jefferies for all out-of-pocket expenses (including reasonable fees and expenses of its counsel) incurred in connection with its engagement by the Committee (collectively, with the 50/50 fee structure set forth above, the "Fee and Expense Structure"). Also, as noted in the Engagement Letter, Jefferies will coordinate its services and efforts with Intrepid in order to minimize any duplication of expenses.

11. During the pendency of these chapter 11 cases, Jefferies will apply to the Court for the allowance of compensation for professional services rendered and reimbursement of expenses in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules and any other applicable procedures and orders of the Court consistent with the proposed compensation arrangement set forth in the Engagement Letter.

12. The Committee believes that the Fee and Expense Structure is reasonable. The Fee and Expense Structure appropriately reflects the nature of the services to be provided by Jefferies and the fee structures typically utilized by leading investment banking firms of similar stature to Jefferies for comparable engagements, both in and out of court. The Fee and Expense Structure is consistent with Jefferies' normal and customary billing practices for cases of this size and complexity that require the level of scope and services outlined herein. Moreover, the Fee and Expense Structure is reasonable in light of (a) industry practice, (b) market rates charged for comparable services both in and out of the chapter 11 context, (c) Jefferies' substantial

experience with respect to investment banking services and (d) the nature and scope of work to be performed by Jefferies in these cases. In particular, the Committee believes that the Fee and Expense Structure creates a proper balance between fixed monthly fees and contingency fees. Similar fixed and contingency fee arrangements have been approved and implemented in other recent large chapter 11 cases. *See, e.g., In re CHC Grp. Ltd.*, Case No. 16-31854 (BJH), ECF No. 576 (Bankr. N.D. Tex. Aug. 8, 2016) (authorizing committee's retention of investment banker on similar terms including fixed monthly and contingency fees); *In re Peabody Energy Corp.*, Case No. 16-42529, ECF No. 781 (Bankr. E.D. Mo. June 17, 2016) (same); *In re Arch Coal, Inc.*, Case No. 16-40120, ECF No. 591 (Bankr. E.D. Mo. Mar. 21, 2016) (same); *In re Alpha Natural Res., Inc.*, Case No. 15-33896, ECF No. 678 (Bankr. E.D. Va. Oct. 16, 2015) (same); *In re Caesars Entm't Operating Co., Inc.*, Case No. 15-01145, ECF No. 1001 (Bankr. N.D. Ill. Mar. 26, 2015) (same).

13. Significantly, as noted above, the Fee and Expense Structure, in combination with approval of the proposed order included in the Intrepid Amendment Motion, will not increase the fees payable by the Debtors. The Fee and Expense Structure will simply be a percentage of the previously approved Intrepid fees. Similar Fee and Expense Structures have been approved by courts when a co-investment banker has been retained following a departure of a key professional. *See, e.g., In re Cenveo, Inc.*, Case No. 18-22178, ECF No. 411 (Bankr. S.D.N.Y. May 17, 2018) (authorizing retention of co-investment banker with a fee structure that was expressed as a percentage of the fee and expense structure of the previously retained co-investment banker).

14. Consistent with its ordinary practice and the practice of investment bankers in other chapter 11 cases whose fee arrangements are not hours-based, Jefferies does not maintain

contemporaneous time records or provide or conform to a schedule of hourly rates for its professionals. Given the foregoing and that Jefferies' compensation is based on fixed fees, the Committee requests that, notwithstanding anything to the contrary in the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, any order of this Court, or any other guideline regarding the submission and approval of fee applications, Jefferies' professionals be excused from maintaining time records in connection with the services to be rendered to the Committee. Jefferies will nonetheless maintain reasonably detailed summary time records, in one-half hour increments, which records shall indicate the total hours incurred by each professional for each day and provide a brief description of the nature of the work performed. Courts in other large chapter 11 cases have excused flat-fee professionals from time-keeping requirements under similar circumstances. *See, e.g., In re MPM Silicones, LLC*, Case No. 14-22503, ECF No. 360 (RDD) (Bankr. S.D.N.Y. June 10, 2014) (requiring Jefferies only to keep reasonably detailed summary time records in one-half hour increments while indicating the total hours incurred by each professional for each day and briefly describing the nature of the work performed); *In re Peabody Energy Corp.*, Case No. 16-42529, ECF No. 781 (Bankr. E.D. Mo. June 17, 2016) (same); *In re Arch Coal, Inc.*, Case No. 16-40120, ECF No. 591 (Bankr. E.D. Mo. Mar. 21, 2016) (same); *In re Alpha Natural Res., Inc.*, Case No. 15-33896, ECF No. 678 (Bankr. E.D. Va. Oct. 16, 2015) (same); *In re Caesars Entm't Operating Co., Inc.*, Case No. 15-01145, ECF No. 1001 (Bankr. N.D. Ill. Mar. 26, 2015) (same).

INDEMNIFICATION OF JEFFERIES

15. As part of the overall compensation payable to Jefferies under the terms of the Engagement Letter, the Engagement Letter provides for certain indemnification obligations to Jefferies and its affiliates, and each of their respective officers, directors, managers, members,

partners, employees and agents, and any other controlling persons, to the fullest extent lawful, from and against any claims, liabilities, losses, damages, costs and expenses, as incurred, related to or arising out of or in connection with Jefferies' services under the Engagement Letter.⁵ Such terms of indemnification, as modified by the Proposed Order, reflect the customary qualifications and limits on such terms for investment bankers such as Jefferies in chapter 11 cases. *See, e.g., In re Ultra Petrol Corp.*, Case No. 16-32202, ECF No. 420 (MI) (Bankr. S.D. Tex. July 20, 2016) (approving indemnification provisions); *In re Warren Res., Inc.*, Case No. 16-32760, ECF No. 175 (Bankr. S.D. Tex. July 13, 2016) (same); *In re La Paloma Generating Co., LLC*, Case No. 16-12700, ECF No. 167 (Bankr. D. Del. Jan. 17, 2017) (same); *In re Golfsmith Int'l Holdings, Inc.*, Case No. 16-12033, ECF No. 255 (Bankr. D. Del. Oct. 13, 2016); *In re Roadhouse Holding, Inc.*, Case No. 16-11819, ECF No. 197 (Bankr. D. Del. Aug. 31, 2016) (same); *In re MPM Silicones, LLC*, Case No. 14-22503 (RDD), ECF No. 360 (Bankr. S.D.N.Y. June 10, 2014) (same).

JEFFERIES' DISINTERESTEDNESS

16. Jefferies has informed the Committee that, as of the date hereof, except as set forth in the Hart Declaration, (a) Jefferies has no connection with the Debtors, their creditors, equity security holders or other parties in interest in these chapter 11 cases; (b) Jefferies does not hold or represent any entity having an interest adverse to the interests of the Debtors' estates or of any class of creditors or equity security holders; and (c) Jefferies (i) is not a creditor, equity security holder or an insider of the Debtors and (ii) is not or was not, within two years before the Petition Date, a director, officer, or employee of any of the Debtors. In addition, none of the Jefferies professionals expected to assist the Committee in these chapter 11 cases are related or

⁵ To the extent there is any inconsistency between the summary of the indemnification provisions set forth in this Application and the indemnifications set forth in Schedule A to the Engagement Letter, the terms of the Engagement Letter shall control.

connected to any United States Bankruptcy Judge for the Southern District of Texas, the U.S. Trustee, or any person employed in the office of the U.S. Trustee.

17. The Committee has been advised that Jefferies has agreed not to share and will not share with any other person or entity the compensation to be received for professional services rendered in connection with these chapter 11 cases in accordance with section 504(a) of the Bankruptcy Code.

18. Based on the foregoing, the Committee believes that Jefferies is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code.

BASIS FOR RELIEF

19. The Committee requests entry of an order authorizing it to retain and employ Jefferies pursuant to sections 328(a) and 1103(a) of the Bankruptcy Code. Section 1103(a) of the Bankruptcy Code provides, in relevant part, that the Committee, with the Court’s approval, “may select and authorize the employment . . . of one or more attorneys, accountants, or other agents, to represent or perform services” for the Committee. 11 U.S.C. § 1103(a). Section 328(a) of the Bankruptcy Code provides, in relevant part, that the Committee, with the Court’s approval, “may employ or authorize the employment of a professional person under section . . . 1103 . . . on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis.” 11 U.S.C. § 328(a).

20. Given the numerous issues that Jefferies may be required to address in performing its services for the Committee, Jefferies’ commitment to the variable time requirements and effort necessary to address all such issues as they arise, and the market prices for Jefferies’ services for engagements of this nature, the Committee submits that the terms and conditions of the Engagement Letter are fair, reasonable and market-based under the standards set forth in

section 328(a) of the Bankruptcy Code. The Committee also believes that the Fee and Expense Structure appropriately reflects (a) the nature and scope of Jefferies' services, (b) Jefferies' substantial experience with respect to investment banking services and (c) the fee structures typically utilized by Jefferies and other investment banks, which do not bill their clients on an hourly basis, in bankruptcy or otherwise.

21. As set forth above, and notwithstanding approval of Jefferies' engagement under section 328(a) of the Bankruptcy Code, Jefferies intends to apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with these chapter 11 cases, subject to the Court's approval and in compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules and any other applicable procedures and orders of this Court, with certain limited modifications as set forth herein. Notwithstanding the foregoing, Jefferies has agreed that the U.S. Trustee may review Jefferies' compensation under section 330 of the Bankruptcy Code.

22. As noted above, the Court previously approved the Committee's engagement of Intrepid pursuant to 328 of the Bankruptcy Code. Approval of this Application – in combination with the approval of the order contained in the Intrepid Amendment Motion – will enable Mr. Hart (now at Jefferies) and the Intrepid restructuring professionals to continue to provide uninterrupted investment banking services to the Committee under the same terms and conditions previously approved by the Court at no additional cost to the Committee or the Debtors' estates.

23. In light of the foregoing, the Committee submits that the retention of Jefferies is in the best interests of the Committee and the Debtors' unsecured creditors.

WHEREFORE, the Committee respectfully requests that the Court: (a) enter the Proposed Order granting the relief requested herein; and (b) grant such other and further relief as the Court may deem just, proper and equitable.

Dated: June 29, 2018

Respectfully submitted,

**THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF EXCO
RESOURCES, INC., *ET AL.***

By: /s/ David Dunn

Name: David Dunn

Chairperson of the Official Committee

For: Cross Sound Management, LLC

CERTIFICATE OF SERVICE

I certify that on June 29, 2018, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas and by U.S. Mail to the U.S. Trustee.

/s/ Patricia B. Tomasco

Exhibit A

Hart Declaration

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	Chapter 11
EXCO RESOURCES, INC., <i>et al.</i> , ¹	§	Case No. 18-30155 (MI)
Debtors.	§	Jointly Administered
	§	

**DECLARATION OF MATTHEW J. HART IN SUPPORT
OF THE APPLICATION OF THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS FOR ENTRY
OF AN ORDER AUTHORIZING THE COMMITTEE TO RETAIN AND
EMPLOY JEFFERIES LLC AS CO-INVESTMENT BANKER PURSUANT TO
11 U.S.C. §§ 328(a) AND 1103(a), NUNC PRO TUNC TO JUNE 29, 2018**

I, Matthew J. Hart, hereby declare under penalty of perjury that, to the best of my knowledge and belief, and after reasonable inquiry, the following is true and correct:

1. I am a Managing Director at Jefferies LLC (“Jefferies”), an investment banking and financial advisory firm with principal offices located at 520 Madison Avenue, New York, New York 10022, as well as at other locations worldwide.

2. I submit this declaration (this “Declaration”) in support of the application (the “Application”)² of the Official Committee of Unsecured Creditors (the “Committee”) of EXCO Resources, Inc. and its affiliated debtors and debtors in possession (collectively, the “Debtors”) for entry of an order authorizing the Committee to retain and employ Jefferies LLC (“Jefferies”)

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: EXCO Resources, Inc. (2779); EXCO GP Partners Old, LP (1262); EXCO Holding (PA), Inc. (1745); EXCO Holding MLP, Inc. (1972); EXCO Land Company, LLC (9981); EXCO Midcontinent MLP, LLC (0557); EXCO Operating Company, LP (1261); EXCO Partners GP, LLC (1258); EXCO Partners OLP GP, LLC (1252); EXCO Production Company (PA), LLC (7701); EXCO Production Company (WV), LLC (7851); EXCO Resources (XA), LLC (7775); EXCO Services, Inc. (2747); Raider Marketing GP, LLC (6366); and Raider Marketing, LP (4295). The location of the Debtors’ service address is: 12377 Merit Drive, Suite 1700, Dallas, Texas 75251.

² All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Application.

as its co-investment banker, *nunc pro tunc* to June 29, 2018, pursuant to the terms of the Engagement Letter.

3. Except as otherwise noted, I have personal knowledge of the matters set forth herein, and, if called as a witness, I would testify thereto. Certain of the disclosures herein, however, relate to matters within the personal knowledge of other professionals at Jefferies and are based on information provided by such professionals.

JEFFERIES' QUALIFICATIONS

4. Prior to joining Jefferies, I was a Managing Director at Intrepid Partners, LLC ("Intrepid"). I led the Intrepid team retained as investment banker to the Committee. My personal experience advising the Committee up until this point makes me uniquely qualified to advise the Committee going forward on the matters for which Jefferies is proposed to be employed in a cost-effective, efficient, and expert manner.

5. Jefferies is a registered broker-dealer with the United States Securities and Exchange Commission and a member of the Boston Stock Exchange, the International Stock Exchange, the Financial Industry Regulatory Authority, the Pacific Stock Exchange, the Philadelphia Stock Exchange and the Securities Investor Protection Corporation. Jefferies was founded in 1962 and is a wholly-owned subsidiary of Jefferies Group LLC, which, together with its affiliates, has gross assets of approximately \$45 billion and approximately 3,900 employees in more than 30 offices around the world.

6. Jefferies provides a broad range of corporate advisory services to its clients including, without limitation, services relating to the following: (a) general financial advice; (b) mergers, acquisitions, and divestitures; (c) special committee assignments; (d) capital raising; and (e) corporate restructurings. Jefferies and its senior professionals have extensive experience

in the reorganization and restructuring of troubled companies, both out of court and in Chapter 11 proceedings. Jefferies has advised debtors, creditor and equity constituencies, and purchasers in numerous reorganizations in the United States and worldwide. Since 2007, Jefferies has been involved in more than 125 restructurings representing more than \$300 billion in restructured liabilities.

7. Jefferies has extensive experience in reorganization cases and an excellent reputation for services it has rendered in large and complex chapter 11 cases on behalf of debtors, creditors, and creditors' committees throughout the United States. Jefferies has advised on the following recent chapter 11 cases, among others: *In re M & G USA Corp.*, Case No. 17-12307 (Bankr. D. Del. Jan. 5, 2018); *In re Real Indus., Inc.*, Case No. 17-12464 (Bankr. D. Del. Dec. 19, 2017); *In re Avaya Inc.*, Case No. 17-10089 (Bankr. S.D.N.Y. Apr. 28, 2017); *In re La Paloma Generating Co., LLC*, Case No. 16-12700 (Bankr. D. Del. Jan. 17, 2017); *In re Golfsmith Int'l Holdings, Inc.*, Case No. 16-12033 (Bankr. D. Del. Oct. 13, 2016); *In re Roadhouse Holding, Inc.*, Case No. 16-11819 (Bankr. D. Del. Aug. 31, 2016); *In re Warren Res., Inc.*, Case No. 16-32760 (Bankr. S.D. Tex. July 13, 2016); *In re Peabody Energy Corp.*, Case No. 16-42529 (Bankr. E.D. Mo. June 17, 2016); *In re Arch Coal, Inc.*, Case No. 16-40120 (Bankr. E.D. Mo. Mar. 21, 2016); *In re Aspect Software Parent, Inc.*, Case No. 16-10597 (Bankr. D. Del. Apr. 21, 2016); *In re Sundevil Power Holdings, LLC*, Case No. 16-10369 (Bankr. D. Del. Apr. 7, 2016); *In re Alpha Natural Res., Inc.*, Case No. 15-33896 (Bankr. E.D. Va. Oct. 16, 2015); *In re Patriot Coal Corp.*, Case No. 15-32450 (Bankr. E.D. Va. July 9, 2015); *In re The Standard Register Co.*, Case No. 15-10541 (Bankr. D. Del. June 10, 2015); *In re EveryWare Global, Inc.*, Case No. 15-10743 (Bankr. D. Del. May 20, 2015); *In re Caesars Entm't Operating Co., Inc.*, Case No. 15-01145 (Bankr. N.D. Ill. Mar. 26, 2015); *In re K-V Discovery Solutions,*

Inc., No. 12-13346 (ALG) (Bankr. S.D.N.Y. Oct. 10, 2012); *In re Eastman-Kodak Co.*, No. 12-10202 (ALG) (Bankr. S.D.N.Y. Apr. 19, 2012); *In re Borders Grp., Inc.*, No. 11-10614 (MG) (Bankr. S.D.N.Y. Mar. 16, 2011); *In re MSR Golf Resort LLC*, No. 11-10372 (SHL) (Bankr. S.D.N.Y. Feb. 1, 2011); *In re Extended Stay Inc.*, No. 09-13764 (JMP) (Bankr. S.D.N.Y. Aug. 13, 2009); and *In re DBSD N. Am., Inc.*, No. 09-13061 (REG) (Bankr. S.D.N.Y. July 22, 2009).

JEFFERIES' DISINTERESTEDNESS

8. In connection with its retention by the Committee, Jefferies undertook to determine whether Jefferies, its principals and professionals (a) have any connection with the Debtors, their affiliates, their creditors or any other parties in interest in these chapter 11 cases or (b) have an interest adverse to the interests of the Debtors' estates or of any class of creditors or equity security holders.

9. To check potential connections with the Debtors and other parties in interest in these chapter 11 cases, Jefferies has searched to determine whether it had any relationships with the entities identified by the Debtors and its representatives as potential parties in interest listed on **Schedule 1** hereto (the "Potential Parties in Interest"). Specifically, Jefferies entered the names of the Potential Parties in Interest into a database containing the names of Jefferies' current and former corporate investment banking clients. To the extent that this inquiry has revealed that certain Potential Parties in Interest were current or former corporate investment banking clients of Jefferies within the past three years, these parties have been identified on a list annexed hereto as **Schedule 2** (the "Client Match List"). Through the information generated from the aforementioned inquiry and through follow-up inquiries to Jefferies professionals responsible for certain clients listed on the Client Match List, Jefferies has determined that its representation of the clients on the Client Match List, concerned matters unrelated to the

Debtors. As to the Potential Parties in Interest not identified on the Client Match List, Jefferies has not been employed by or rendered advisory services to any such parties within the past three years.

10. As part of its diverse global activities, Jefferies is involved in numerous cases, proceedings, and transactions involving many different attorneys, accountants, investment bankers, and financial consultants, some of whom may represent claimants and parties in interest in these chapter 11 cases. Further, Jefferies has in the past, and may in the future, advise and/or be represented by several attorneys, law firms and other professionals, some of whom may be involved in these chapter 11 cases. Finally, Jefferies has in the past, and will likely in the future, be working with or against other professionals involved in these chapter 11 cases in matters wholly unrelated to these chapter 11 cases. Based upon our current knowledge of the professionals involved in these chapter 11 cases, and to the best of my knowledge, none of these business relationships constitute interests adverse to the interests of the Debtors' estates or of any class of creditors or equity security holders in matters upon which Jefferies is to be employed, and none are in connection with these chapter 11 cases.

11. Jefferies is a global investment banking firm with broad activities covering, in addition to its investment banking and financial advisory practice, trading in equities, convertible securities, and corporate bonds. With more than 80,000 customer accounts and thousands of relationships and transactions around the world, it is possible that one or more of Jefferies' clients or a counterparty to a securities transaction may hold a claim or interest or otherwise be Potential Parties in Interest in these chapter 11 cases and that Jefferies and/or its affiliates may have other business relationships and/or connections with such Potential Parties in Interest. Certain Potential Parties in Interest may also serve on official or ad hoc committees which have retained Jefferies

in other cases. Further, as a major market maker in equity securities as well as a major trader of corporate bonds and convertible securities, including those of creditors or parties in interest in these chapter 11 cases, Jefferies regularly enters into securities transactions with other registered broker-dealers as a part of its daily activities. Jefferies is also engaged from time to time by various municipalities and other governmental entities on financing and related matters. Some of these counterparties may be creditors, equity holders or other parties in interest in these cases. Jefferies believes that none of these business relationships constitute interests adverse to the interests of the Debtors' estates or of any class of creditors or equity security holders in matters upon which Jefferies is to be employed, and none are in connection with these chapter 11 cases.

12. In addition, as of the date hereof, Jefferies and its affiliates have thousands of employees worldwide. It is possible that certain of Jefferies' and its affiliates' respective directors, officers and employees may have had in the past, may currently have, or may in the future have connections to (i) the Debtors, (ii) the Potential Parties in Interest and/or (iii) funds or other investment vehicles that may own debt or securities of the Debtors or other Potential Parties in Interest. Furthermore, in addition to the parties listed on Schedule 2, Jefferies may also represent, or may have represented, affiliates, equity holders and/or sponsors of the Potential Parties in Interest. Certain of the Potential Parties in Interest may also be vendors or insurers of Jefferies and/or have other non-investment banking relationships with Jefferies. Jefferies may also represent, or may have represented in the past, committees or groups of lenders or creditors in connection with certain restructuring or refinancing engagements, which committees or groups include, or included, entities that appear on the Potential Parties in Interest list.³ Jefferies believes that none of these business relationships constitute interests adverse to the interests of the

³ As an example, WSFS Bank is a member of the official committee of unsecured creditors in the pending iHeart bankruptcy cases and Jefferies has been engaged as the iHeart committee's investment banker.

Debtors' estates or of any class of creditors or equity security holders in matters upon which Jefferies is to be employed, and none are in connection with these chapter 11 cases.

13. Certain affiliates of Jefferies serve as managers for a number of investment vehicles (collectively, the "Managed Funds"). The Managed Funds are principally intended for investments by third parties unrelated to Jefferies. However, such investors may also include financial institutions (some of which may be parties in interest in these chapter 11 cases), affiliates of Jefferies, or their respective officers and employees (some of whom may be Jefferies' employees providing services in connection with these chapter 11 cases). Jefferies' employees working in connection with these chapter 11 cases have no control over or involvement in investment decisions made for the Managed Funds. With respect to the Managed Funds, Jefferies makes the following additional disclosures:

- (a) Among other things, the Managed Funds are (i) active direct investors in a number of portfolio companies (the "Equity Investments") and (ii) investors in a variety of debt instruments and mezzanine loans or similar securities (the "Income Investments" and, together with the Equity Investments, the "Portfolio Holdings"); and
- (b) The fund managers of the Managed Funds maintain control over investment decisions with respect to the Portfolio Holdings. Many financial institutions and parties in interest who may be involved in these chapter 11 cases may also be investors in the Managed Funds. Moreover, the Managed Funds may invest from time to time in Portfolio Holdings relating to the Debtors or parties in interest in these chapter 11 cases. In order to comply with securities laws and to avoid any appearance of impropriety, the employees of the Managed Funds are strictly separated from the employees of Jefferies. Jefferies maintains a strict separation between its employees assigned to these chapter 11 cases and employees involved in the management of Jefferies' investment banking division, on the one hand, and other employees of Jefferies (*e.g.*, sales and trading employees) and its affiliates (including the employees of the Managed Funds), on the other hand. This separation is maintained through the use of information walls. These information walls include physical and technological barriers, compliance, and surveillance mechanisms and policies and procedures designed to prevent confidential information from being shared improperly. Consequently, as no confidential information concerning the Debtors is permitted to be communicated to any persons working for the Managed Funds, Jefferies does not believe that the

relationships outlined above constitute interests adverse to the estates or render Jefferies not disinterested in these chapter 11 cases.

14. In addition, as part of its regular business operations, Jefferies may trade securities and other instruments of the Debtors on behalf of third parties (some of whom may be parties in interest in these chapter 11 cases). Jefferies may also trade securities and other instruments of the Potential Parties in Interest on behalf of itself and/or its affiliates or third parties. Any and all such trading operations and market making activities are separated from Jefferies' investment banking department, and its managing directors and employees (including the investment banking professionals working on these chapter 11 cases), by an information barrier, and no Jefferies professionals providing services to the Committee will be involved with such trading operations and market making activities in any capacity.⁴ Also, prior to the filing of this Application, Jefferies held, for its own benefit, certain debt and equity securities of the Debtors as part of its regular and customary business operations. As of the date hereof, Jefferies does not own or hold any such debt or equity securities for its own benefit and shall not own or hold any such securities for its own benefit as long as Jefferies is employed by the Committee.

15. The Debtors have numerous creditors and relationships with a large number of individuals and entities that may be parties in interest in these chapter 11 cases. Consequently, although every reasonable effort has been made to discover Jefferies' connections with the Potential Parties in Interest, Jefferies is unable to state with certainty whether any of its clients or an affiliated entity of a client holds a claim or otherwise is a party in interest in these chapter 11 cases. If Jefferies discovers any information that is contrary or pertinent to the statements made herein, Jefferies will promptly disclose such information to the Court. Additionally, as noted

⁴ These information barriers include physical and technological barriers, compliance and surveillance mechanisms and policies and procedures designed to prevent confidential information from being shared improperly.

above, Jefferies is part of a global investment banking firm and thus has several legally separate and distinct foreign and domestic affiliates. Although employees of certain affiliates may sometimes assist Jefferies in connection with a restructuring engagement, as Jefferies is the only entity being retained in these cases, we have researched only the electronic client files and records of Jefferies, not of all of its affiliates, to determine connections with any Potential Parties in Interest.

16. Jefferies does not advise, has not advised and will not advise any entity other than the Committee in matters related to these chapter 11 cases. Jefferies will, however, continue to provide professional services to entities or persons that may be creditors of the Debtors or parties in interest in these chapter 11 cases, provided that such services do not relate to, or have any direct connection with, these chapter 11 cases or the Debtors.

17. Except as otherwise set forth herein, to the best of my knowledge, information, and belief, neither Jefferies nor any employee of Jefferies (i) is a creditor, equity security holder or an insider of the Debtors or (ii) is or was, within two years before the Petition Date, a director, officer, or employee of any of the Debtors. In addition, none of the Jefferies professionals expected to assist the Committee in these chapter 11 cases are related or connected to any United States Bankruptcy Judge for the Southern District of Texas, the U.S. Trustee, or any person employed in the office of the U.S. Trustee.

18. As of the date of this Declaration, Jefferies has received no compensation for its work on behalf of the Committee.

19. The Fee and Expense Structure and the indemnification obligations set forth in the Application is consistent with Jefferies' typical fee for work of this nature. The fees are set at a level designed to compensate Jefferies fairly for the work of its professionals and assistants and

to cover fixed and routine overhead expenses. It is Jefferies' policy to charge its clients for all disbursements and expenses incurred in the rendition of services.

20. It is not the general practice of investment banking firms to keep detailed time records similar to those customarily kept by attorneys. Jefferies' restructuring professionals, when formally retained in chapter 11 cases, and when required by local rules, do, and in these cases will, keep time records, in half-hour increments, describing their daily activities and the identity of persons who performed such tasks. Jefferies will also supplement this information with a list of the non-restructuring professionals who assist the restructuring department on this matter but who do not, as a matter of general practice, keep records in the same manner.

21. The Fee and Expense Structure is comparable to those generally charged by investment banking firms of similar stature to Jefferies and for comparable engagements, both in and out of court, and reflect a balance between a fixed monthly fee and contingency amounts which are tied to the consummation and closing of a transaction as contemplated by the Engagement Letter.

22. The Engagement Letter was negotiated at arm's-length and in good faith, and I believe that the provisions contained therein, as modified by the Proposed Order, are reasonable terms and conditions of Jefferies' employment by the Committee. With respect to the Engagement Letter's indemnification provisions, unlike the market for other professionals that a debtor or committee may retain, indemnification is a standard term of the market for investment bankers. The indemnity, moreover, is comparable to those generally obtained by investment banking firms of similar stature to Jefferies and for comparable engagements, both in and out of court.⁵

⁵ The indemnity included in the Engagement Letter also requires the Debtors to indemnify Jefferies in situations of gross negligence or willful misconduct, in the event that such conduct was expressly directed

23. Other than as set forth above and in the Engagement Letter, there is no proposed arrangement between the Committee and Jefferies for compensation to be paid in these cases. Jefferies has no agreement with any other person or entity to share any compensation received, nor will any such agreement be made, except as permitted under section 504(b)(1) of the Bankruptcy Code.

24. The foregoing constitutes the statement of Jefferies pursuant to section 504 of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 5002.

In accordance with 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: June 29, 2018
New York, New York

JEFFERIES LLC

/s/ Matthew J. Hart

Matthew J. Hart
Managing Director

by the Committee. Such requirement is not included in the indemnity provisions within the Intrepid engagement. Nonetheless, such provision is generally included in indemnities obtained by investment banking firms of similar stature to Jefferies and for comparable engagements, both in and out of court.

Schedule 1

Potential Parties in Interest

5% or More Equity Holders

Energy Strategic Advisory Services, LLC
Hamblin Watsa Investment Counsel Ltd.
Invesco Ltd.
Oaktree Capital Management, LP WL Ross
& Company, LLC

Banks, Lenders, UCC Lien Parties & Administrative Agents

Advanced Series Trust – AST JPMorgan
Strategic Opportunities Portfolio
Avenue Energy Opportunities Fund, LP
Bank of America, NA
Bank of Montreal Bayside Partners LLC
BMO Capital Markets Corp. BMO Harris
Bank, N.A
Brit Insurance (Gibraltar) PCC Limited
Brit Syndicates Limited
Canadian Imperial Bank of Commerce
Capital One, NA
Chou Associates Fund Chou Bond Fund
Chou Income Fund
Chou Opportunity Fund Chou RRSP Fund
CIT Finance LLC
Claren Road Credit Master Fund, Ltd.
Claren Road Credit Opportunities Master
Fund, Ltd.
Clearwater Select Insurance Company
Credit Suisse AG, Cayman Islands Branch
Deutsche Bank AG New York Branch
Dnsmore LLC
Energy Strategic Advisory Services LLC
Fairfax Financial Holdings Limited Master
Trust
Fairfax Financial Holdings Master Trust
Fund
Federated Insurance Company of Canada
Franklin Custodian Funds – Franklin
Income Fund
Gen IV Investment Opportunities, LLC
Gendos LLC
Gentrace LLC Genuno LLC
Goldman Sachs & Co. Profit Sharing Master
Trust

Goldman Sachs Bank USA
Hamblin Watsa Investment Counsel Ltd.
ING Capital LLC
JPMorgan Chase Bank, NA
JPMorgan Securities LLC
JPMorgan Strategic Income Opportunities
JPMorgan Tax Aware Income Opportunities
Fund
JPMorgan Total Return Fund
LMA SPC For And On Behalf Of Map 89
Segregated Portfolio
LS Power
Luminus Management, LLC
Merrill Lyn, Pierce, Fenner & Smith
Incorporated
Mounte LLC
Natixis
NB Distressed Debt Investment Fund Ltd.
NB Distressed Debt Master Fund LP
Neuberger Berman Fixed Income LLC
Newline Corporate Name Limited
(Syndicate)
Northbridge Commercial Insurance Corp.
Northbridge General Insurance Corp.
Northbridge Personal Insurance Corp. NPI
LLC
Odyssey Reinsurance Company OZ Credit
Opportunities Domestic Partners, LP
OZ Domestic Partners II, LP OZ Domestic
Partners, LP
OZ Enhanced Domestic Partners, LP OZ
Eureka Fund, LP
OZ Natural Resource Investors, Ltd. OZSC
II, LP
Phoenix Investment Adviser LLC Pine
River Baxter Fund Ltd.
Pine River Credit Relative Value Master
Fund Ltd.
Pine River Deerwood Fund Ltd.
Pine River Fixed Income Master Fund Ltd.
Pine River Master Fund Ltd. Silver Rock
Financial LLC TIG Insurance (Barbados)
Ltd. UBS AG, Stamford Branch

United States Fire Insurance Company Vega
Asset Partners, LP
Wells Fargo Bank, NA Wells Fargo
Securities, LLC Wellwater LLC
Wentworth Insurance Company Ltd.
Wilmington Trust, National Association
Zenith Insurance Company (US)
Zenith Insurance Company Canada

Bankruptcy Judges

Alonzo, Albert
Attaway, Evangeline C.
Bohm, Jeff
Bradley, David J.
Brown, Karen K.
Castro, Ruben
Dolezel, Anita
Isgur, Marvin
Jones, David R.
Rodriguez, Eduardo V.

Bankruptcy Professionals

Alvarez & Marsal North America, LLC
Bracewell LLP
Brown Rudnick LLP
Gardere Wynne Sewell LLP
Kasowitz Benson Torres
Kirkland & Ellis LLP
Morgan, Lewis & Bockius LLP
Norton Rose Fulbright LLP
Opportune LLP
PJT Partners
Quinn Emanuel Urquhart & Sullivan, LLP
Rothschild
Simpson Thacher & Bartlett LLP

Bondholders – Indenture Trustee

Alexandre Zyngier IRA
Alta Fundamental Advisors LLC
Batuta Capital Advisors LLC
Bluescape Resources Company LLC
Colbert Investment Management
Fairfax Financial Holdings Limited
Gruss Capital Management LP
J.E. Russell
Lackland Holdings LLC Legatum Ltd.

Oaktree Capital Management, LP
S. Goldman Asset Management
Sierra Pacific Securities LLC
SKY Harbor Capital Management, LLC
Timothy Fleet
WSFS Bank

Contract Counterparties

Acadian Gas Pipeline System
Alliance Petroleum Corporation
Azure Midstream Holdings LLC
BG Energy Merchants, LLC
Broad Oak Energy II, LLC
Chesapeake Energy Marketing, Inc.
Chesapeake Exploration, LLC
Compass Energy Operating, LLC
Compass Production Services, LLC
Cubic Louisiana, LLC
Enterprise Products Operating LLC
HGI Energy Holdings, LLC
Nytis Exploration Company LLC PXP
Louisiana LLC
PXP Louisiana Operations LLC Regency
Trastate Gas LP Tapstone Energy, LLC
Venado Oil And Gas, LLC

Customers

Associated Energy Services
Atmos Energy Marketing, LLC
BP Energy Company
Cabot Oil & Gas
Castleton Commodities Merchant Trading
CenterPoint Energy Services, Inc.
Chesapeake Energy Marketing, Inc.
Chevron Natural Gas
CIMA Energy, Ltd. Citigroup Energy Inc
Cokinos Energy Corporation
ConocoPhillips Company
Coral Energy Resources, LP
EDF Trading North America, LLC
Enbridge Marketing (US) LP
Encana
Energy America, LLC
Enstor- Iberdrola Renewables, Inc.
EOG Resources, Inc.
ETC Field Services LLC

ETC Marketing
Florida Power & Light Company
Hydrocarbon Exchange Corp.
Indigo Resources, LLC Infinite Energy, Inc.
JPM - Bear Energy LP
Marathon Petroleum Company LP National
Energy & Trade, LP New Jersey Natural
Gas Company
NextEra Energy Power Marketing, LLC
Nicor Enerchange, LLC
NJR Energy Services Company
ONEOK Energy Services Company, LP
Red River CNG, LLC
Regency Gas Marketing LLC
Repsol Energy North America Corporation
Samson Lone Star
SEI Energy, LLC
Sequent Energy Management, LP
Shell Energy North America US, LP
Shell-BG Energy Merchants, LLC
South Jersey Resources Group, LLC
Southwest Energy
Southwestern Energy Services Company
Tauber Oil Company
Tenaska Marketing Ventures
Texla Energy Management, Inc.
Total Gas & Power North America, Inc.
TPF II East Texas Gathering, LLC
Tristate-Caddo Gathering Company
Twin Eagle Resource Management, LLC
UGI Energy Services, Inc.
United Energy Trading, LLC
XTO Energy, Inc.

Debtors

Bonchasse Land Company, LLC
EBG Resources, LLC
EXCO Appalachia Midstream, LLC
EXCO GP Partners Old, LP
EXCO Holding (PA), Inc.
EXCO Holding MLP, Inc.
EXCO Land Company, LLC
EXCO Midcontinent MLP, LLC
EXCO Operating Company, LP
EXCO Partners GP, LLC
EXCO Partners OLP GP, LLC

EXCO Production Company (PA), LLC
EXCO Production Company (WV), LLC
EXCO Resources (PA), LLC
EXCO Resources (XA), LLC
EXCO Resources, Inc.
EXCO Services, Inc.
Moran Land Company, LLC
Moran Minerals, LLC
PCMWL, LLC
Raider Marketing GP, LLC

Directors and Officers

Cameron, Gary
Clarke, William (Justin)
Edelen, Ronald G.
Estes, Steve L.
Farquharson, Tyler
Ford, B. James
Gaebe, Brian N.
Hickey, Harold L.
Horton, Anthony R.
Jameson, Harold H.
King, Randall E.
Lamparter, Heather
Larimer, Michael
Mitchel, Samuel A.
Ross Jr., Wilbur L.
Stillwell, Robert L.
Toy, Stephen J.
Wilder, C. John Jr.

Governmental and Regulatory Agencies

Beaver Township-Jefferson Co.
Cogan House Township-Lycoming Co.
Cowanshannock Township-Armstrong Co.
Davidson Township-Sullivan Co.
Franklin Township-Lycoming Co.
Henderson Township-Jefferson Co.
LA Dept. Natural Resources
Manor Township-Armstrong Co.
Mifflin Township-Lycoming Co.
OK Corporation Comm.
PA Bureau of Forestry
PA DCNR
PA Dept Environmental Protection
PA DOT - Dist. 10

PA DOT - Dist. 2
PA DOT - Dist. 3
Penn Township-Lycoming Co.
Polk Township-Jefferson Co.
Railroad Comm. Of TX
Rayburn Township-Armstrong Co.
Redbank Township-Clarion Co.
Snyder Township-Jefferson Co.
US Dept Interior-BIA
US Dept Interior-BLM
US EPA
Washington Township-Jefferson Co.
Watson Township-Lycoming Co.
Winslow Township-Jefferson Co.

Insurance – PFA

JLT AFCO
Allied World National Insurance Co.
Amwins Brokerage of Illinois, LLC
Arch Insurance Company
Arthur Gallagher Risk Mgmt. Svc
Arthur J. Gallagher & Co.
Beazley
Berkley Insurance Company C.N.A
Chubb
Federal Insurance Company
First Insurance Funding Corp.
Great Northern Insurance Company
Illinois National Insurance Company
IPFS Corporation (IPFS)
Ironshore Specialty Insurance Company
Lexington Insurance Company
Lloyds of London
Marsh & McLennan Agency
North American Elite Insurance Company
QBE
Safeco Travelers
US Specialty Insurance Company
Vigilant Insurance Company
Wells Fargo Insurance Services of Ohio, LLC
Wells Fargo Insurance Services USA, Inc.
XL Specialty Insurance Company

Known Affiliates – JV

BG Production Company (PA), LLC

BG Production Company (WV), LLC
BG US Production Company, LLC
Energy Strategic Advisory Services LLC
EXCO-BG Appalachia Tax Partnership
EXCO-BG Tax Partnership

Landlords

Cranberry Corporate Center, LLC
YPI Park Central, LLC

Litigation

Acadian Gas Pipeline System
Admiral A Holding LP
Alice O’Neal Averitt
Alpha Collections LP
Alterra America Insurance Company
American Guarantee and Liability Insurance Company
American Natural Resources, LLC
Apache Corporation
Azure Midstream Energy, LLC
Betsy Stull
BG Production Company (PA), LLC
BG Production Company (WV), LLC
BHP Billiton Petroleum (KCS) Resources, LLC
BHP Billiton Petroleum (TxLa Operating) Company
BHP Billiton Petroleum Properties (NA), LP
Bienville Investments, LLC
Billy B. Mahonski
BP America Production Co.
Bradley C. Smith
Bradley Roberts
Branton Tools, LLC
Bruce E. Leonard, Jr.
Burk Royalty Co. Ltd.
Carl D. Richard
Carlos B. Griffin, Jr., as Co-Trustee of the Family Land Heritage Trust
Carlos B. Griffin, Jr., Individually
Carolyn Rushing
Central Resources, Inc.
Chesapeake Energy Corporation
Chesapeake Energy Marketing, LLC

Chesapeake Exploration, LLC (Third- Party Defendant)
Chesapeake Louisiana, LP
Chesapeake Operating, LLC
Colt Admiral A Holding LP
Commerce and Industry Insurance Co.
Compass Energy Operating, LLC
Compass Production GP, LLC
Crimson Exploration Operating, Inc.
Cudd Pressure Control, Inc.
Cudd Pumping Services, Inc.
Cunus Mineral Properties, LP
Danny Collins
Danny Collins on behalf of his minor child
Nicholas Collins
David E. Scott
David G. Benscoter
David L. Johnson and Judy C. Johnson
Davis Petroleum Corp.
Debra M. Griffin, as Co-Trustee of the
Family Land Heritage Trust
Debra M. Griffin, Individually
Effective Exploration, LLC
Elizabeth Rodgers
Empire Energy E&P, LLC
Energy One, LLC
Enertool Services, LLC
Enterprise Products OLGP, Inc.
Enterprise Products Operating
Enterprise Products Operating LLC
Evanston Insurance Company
Federal Insurance Company
George B. Cunus
Geo-Vest, Inc.
Gerald Ray Dowden, Sr.
Giles Lanager
Heather M. Mahonski
J. Baker Barr Jr.
James Collins
James N. Gray, IV
James S. Dowling
James V. Horton
Jimm Woodard
Jimmy Harless
Jimmy Ware
Johnny Lee Osborne

Jonathon McMiller
Justin Rodgers
Justin Rodgers and Skylar Kendrick on
behalf of the minor Cora Rodgers
Karen S. Toppett
Kathleen O. Barr
Kevin O. Long
Kimbell Family Resources, Ltd.
Laura Jean Long
Leslie Paul Henry
Lexington Insurance Company
Liberty Energy, LLC
Long Petroleum LLC
Lorraine Dobbins
Louisiana Cutler Oil & Gas Corporation
M&N Resources Management, LLC
Macketta Simmons
Maoli Enegy, LLC
Miami Corporation
Michael L. Frossard
MML Venturs, LTD
MOBL Mineral & Royalty, LLC
Molly Nelson
Mr. and Mrs. William Joe McDonald
Mrs. Alverne Osborne Barnes
MW Petroleum Corp. c/o Apache Co.
Ms. Linda Jean Osborne Woods
Nance Ranch Family Limited Partnership
Oleum Operating Co. LC
OOGC America, LLC (Third-Party
Defendant)
Parish of Cameron
Patterson-UTI Drilling Company, LLC
Pena Creek I Ltd.
Pena Creek III Ltd.
Petrohawk Energy Corporation
Rancho Los Encinos Viejos, LLC
Richard W. Schall
RKC, Inc.
Robert Cody Johnson Robert L. Schall
Rodney Fisher
Roth IRA, Ltd.
Royal Dutch Shell, PLC
Samson Contour Energy E&P, LLC
Samson Lone Star, LLC
Samson Resources Company Sandra Coker

Sarah M. Hedrick Scott S. Lowe
Scout Energy Corp. Mineral Manager for
The Prospect Company
Select Energy Services, LLC
SES Holdings, LLC Shannon Rodgers
Shari Collins Sheila Stratton
Shell Energy North America
Simeon King Horton
Spring Street Minerals, LLC
St. Paul Fire & Marine Insurance Co.
State of Louisiana
State of Louisiana Ex Rel. Jeff Landry
State of Louisiana Department of Natural
Resources, Office of Coastal Management
and its Secretary, Thomas F. Harris
State of Texas, Garnishor
SWEPI, LP
Tammy D. Smith
TE Admiral A Holding LP
Thorne Heritage
Trinidad Drilling, LP True Oil LLC
TXO-Acadian Gas Pipeline, LLC
Vellen R. Dowden
Victor Simmons
Victor Simmons on behalf of his minor child
Katelyn Simmons
Virginia Anne Lowe
Virginia L. Roberts
Wendy J. Benscoter
Willerson Energy Partners, LP (Third- Party
Plaintiff)
William D. Snyder
William Wayne Averitt
Winifred J. Stratton
Woodard Consulting Services, LLC
Zurich American Insurance Company

Office of the U.S. Trustee

Boykin, Jacqueline
Duran, Hector
Griffin, Barbara
Johnson-Davis, Luci
Livingstone, Diane
March, Christine
Motton, Linda
Otto, Glenn

Schmidt, Patricia
Smith, Gwen
Statham, Stephen
Waxton, Clarissa

Ordinary Course Professionals

Akin Gump Strauss Hauer & Feld LLP
Aon Consulting Inc.
Bradley Murchison Kelly & Shea LLC
Cohen & Grigsby PC
Ctmi LLC
Delaney & Fritz, PC
Dodson and Everett PLLC
Downer Huguet & Wilhite LLC
Freeman Mills PC
Gardere Wynne Sewell LLP
Gross & Nelson
Hahn Loeser and Parks LLC
Jones Walker
K&L Gates LLP
K.E. Andrews & Company
Kean Miller LLP
Keane
Kevin W. Hammond, APLC
Lindquist And Vennum LLP
Liskow & Lewis
Littler Mendelson
Mani Little & Wortmann PLLC
Mcmichael,Medlin,D'anna & Wedgeworth
LLC
Merit Advisors LLC
Milling Benson Woodward LLP
Norton Rose Fulbright US LLP
Parsons Mcentire McCleary and Clark
PLLC
Pierce and O'Neill LLP
Powers Taylor LLP
Reed Smith LLP
Scott Douglass & McConnico LLP
Trinity Management Consulting, Inc.
Wallace and Wallace
Whitley Penn
Wilson, Robertson & Cornelius, PC
Winston & Strawn LLP
Zeiger, Tigges & Little LLP
Cozen O'Connor

Grant Thornton LLP
Towers, Watson, Delaware, Inc.
Weaver & Tidwell LLP

Other Significant Creditors

Admiral A Holding LP
Dominion Transmission, Inc.
Devon Energy Production Co. LP
Gelco Corporation
George S Winterbotham Living Trust
Grigsby Exploration LC
Kinderhawk Field Services, LLC
KL&L Traylor LP
KM Ranch Properties Ltd.
QEP Energy Company
Robbie Adams Bodden Family Trust
Robbie Adams Bodden Marital Trust
Sun Coast Resources, Inc.
TGG Pipeline, Ltd.
Travelers Casualty and Surety Co. of America

Significant Competitors

Bill Barret Corp
Chesapeake Energy
Clayton Williams Energy
Comstock Resources
EP Energy
Halcon Resources
Jones Energy
Northern Oil and Gas
Oasis Petroleum
PetroQuest Energy
QEP Resources
Rex Energy
Sanchez Energy
SM Energy
Stone Energy
Ultra Petroleum Corp.
WPX Energy

Taxing Authorities

Caddo Parish Sheriff (LA)
Caddo Parish Assessor (LA)
Cotulla ISD (TX)
Dallas County (TX)

Delaware Secretary of State
Department of Treasury, Internal Revenue Service
Desoto Parish (LA)
Desoto Parish Tax Assessor (LA)
Dimmit County (TX)
Freestone County (TX)
Frio CAD (TX)
Frio County (TX)
Gregg CAD (TX)
Gregg County (TX)
Harrison CAD (TX)
Harrison County (TX)
Jackson Parish Assessor (LA)
Jackson Parish Sheriff (LA)
Kentucky Department of Revenue
Kentucky Secretary of State
La Pryor ISD (TX)
La Salle CAD (TX)
La Salle County (TX)
Louisiana Department of Revenue
Louisiana Secretary of State
Nacogdoches CAD (TX)
Navarro CAD (TX)
Navarro County (TX)
Oklahoma Tax Commission
PA Department of Revenue
Panola CAD (TX)
Panola County (TX) Polk CAD (TX)
Polk County (TX) Richardson ISD (TX)
Rusk CAD (TX)
Rusk County (TX)
San Augustine CAD (TX) San Augustine County (TX) Shelby CAD (TX)
Shelby County (TX)
Tennessee Department of Revenue
Tennessee Secretary of State
Texas Comptroller of Public Accounts
Uvalde CAD (TX)
Virginia Department of Taxation
Virginia State Corporation Commission
West Virginia Secretary of State
West Virginia State Tax Department
Zavala CAD (TX)

Top 30 Creditors

5L Energy Services LLC
Amerigas
Anchor Drilling Fluids USA Inc.
Baker Hughes Business Support SVS
Bedrock Petroleum Consultants LLC
BJ Services Company USA
BJ Services LLC
CNC Oilfield Services LLC
Common Disposal LLC
Curtis and Son Vacuum Service Inc.
FTS International Services LLC
GE Oil & Gas Pressure Control LP
Gulf Coast TMC LLC
KPMG LLP
Leam Drilling Systems, LLC
M-I LLC
Multi-Shot, LLC
Nabors Drilling Technologies USA Inc.
Oil States Energy Services LLC
Patterson UTI Drilling Company LLC
Pinnergy, Ltd.
Redzone Coil Tubing LLC
Rodan Transport (USA) Ltd.
S3 Pump Service
Select Energy Services LLC
Stallion Oilfield Services
Sun Coast Resources Inc.
TDJ Oilfield Services, LLC
Thomas Oilfield Services LLC
Tucker Energy Services Inc.

Top Creditors

Azure ETG LLC
BHP Billiton Petroleum Properties LP
BP American Production Co.
Chesapeake Energy Marketing, LLC
Chesapeake Operating Inc.
CNC Oilfield Services LLC
Cogent Energy Services LLC
Curtis Oilfield Services LLC
Downhold Technology LLC
Enterprise Products Operating LLC
Fluid Disposal Specialties Inc.
Freedom Oilfield Service LLC
Goodrich Petroleum Co. LLC

Heckmann Water Resources CNR Inc.
Kinderhawk Field Services LLC
Indigo Minerals LLC
Light Tower Rental
Long Petroleum LLC
Louisiana Midstream Gas Services LLC
M6 Energy Services LLC
Magnolia Midstream Gas Services LLC
MS Directional LLC
Nabors Drilling Technologies USA
OOGC America LLC (Eagle Ford)
Paradigm Midstream Service-St LLC
Peale Fishing Services LLC
Peroxychem LLC
Regency Gas Services LP SKY-LIN
Southern Soil Environmental Inc.
Sun Coast Resources Inc.
TEC Well Service LLC
Weatherford U.S., LP
West Louisiana Aggregates LLC
Wilmington Savings Fund Society, FSB

Utilities

Amerigas
Armstrong Cable Services
ATT
Centurylink
City of Chireno Gas System
Columbia Gas
Comcast
Consolidated Communications
DirectTV Inc.
Hugill Sanitation
Level 3 Communications
Medina Electric Cooperative Inc.
Melrose Water Supply
Midamerican Energy Services
Penelec
Penn Power
Peoples Natural Gas
PPL Electric Utilities
Rio Grande Electric Cooperative
Southwestern Electric Company Squire
Tech Solutions
Time Warner Telecom
TXU Energy

United Electric Cooperative
Valley Telephone Cooperative
Verizon
Visage Mobile
Waste Management of Pennsylvania, Inc.
Water Works District #1
West Penn Power
West Unified Communication Windstream
XO Communications (a Verizon Company)

Vendors

Azure ETG LLC
Bell Supply Company
BHP Billiton Petroleum Properties LP
BP America Production Co.
Brookfield Capital Partners, LLC
Chesapeake Energy Marketing LLC
Chesapeake Operating, Inc.
Commonwealth Of Pennsylvania
Covey Park Gas LLC
Credit Suisse Securities USA, LLC
Desoto Parish
Dominion Transmission
Fluid Disposal Specialties, Inc.
GEP Haynesville LLC
Goodrich Petroleum Co. LLC
Grant Thornton LLP
Halliburton Energy Services, Inc.
Haynes and Boone LLP
Heckmann Water Resources CVR, Inc.
Indigo Minerals LLC
Kinderhawk Field Services LLC
Kirkland and Ellis LLP
Latham and Watkins LLP
Light Tower Rentals
Louisiana Midstream Gas Services LLC
Morgan Lewis and Bockius LLP
Nalco Company
OOGC America LLC (Eagle Ford)
P2ES Holdings LLC
Paradigm Midstream Services-St LLC
Premium Assignment Corporation
Professional Directional Ltd.
Prudential Insurance Co. of America
PVR Midstream LLC
Pyramid Tubular Products LP

Regency Gas Services LP
San Augustine County Tax A/C
Shearman and Sterling LLP Sky-Lin
State Comptroller State of Louisiana
Weatherford Artificial Lift Systems
Wells Fargo Insurance Services USA, Inc.
West Louisiana Aggregates LLC
Wildcat Midstream Holdings LLC
XTO Energy, Inc.
YPI - Younan Properties, Inc.
Zavala County Appraisal District

Schedule 2

Client Match List¹

Apache North Sea Limited
BG Group PLC
BJ Services, Inc.
Blu Zenith Designated Activity Company
Broad Oak Energy II, LLC.
CenturyLink, Inc.
Chevron Corporation
Comstock Resources Inc.
ConocoPhillips
Covey Park Energy Holdings LLC / Covey Park Energy Inc.
Covey Park Energy LLC
Credit Suisse Group AG
Deutsche Bank AG
Enterprise Products Partners L.P.
Environmental Tectonics Corporation
EOG Resources, Inc.
Goodrich Petroleum Corporation
Halcon Resources Corporation
Hellman&Friedman LLC
Indigo Minerals, LLC
KUWAIT ENERGY PLC GROUP
Level 3 Communications, Inc.
Marathon Oil Corporation
Marathon Pharmaceuticals, LLC
Northern Oil & Gas, Inc.
Northern, Investor AcquisitionCo, LLC (“AcquisitionCo”).
ONEOK, Inc.
Paradigm
Paradigm Ltd.
PetroQuest Energy, Inc.
QEP Resources
Regency Energy Partners LP
Samson Energy Company, LLC

¹ Although not an investment banking engagement, Jefferies was also engaged by Comcast to provide certain expert testimony in connection with the Houston Regional Sports Network bankruptcy cases. Jefferies also currently advises a creditor in the Rex Energy bankruptcy cases (Rex Energy is listed as a potential party in interest in these cases, but the creditor Jefferies is advising is not a party in interest in these cases).

Sanchez Energy Corporation

Sanchez Energy Corporation Sanchez Production Partners LP (“SPP”) and Sanchez Energy Corporation (“SN”)

Sanchez Production Partners LP

Tapstone Energy, LLC

TierPoint (Windstream)

Tudor Pickering Holt & Co.

Ultra Petroleum Corp.

United Energy Group Limited

Windstream Hosted Solutions // GI Partners

WL Ross Holding Corp.

Exhibit B

Engagement Letter

DRAFT 6/28/2018

Engagement Letter

As of June 29, 2018

**To the Official Committee of Unsecured Creditors of
EXCO Resources, Inc., *et al.***

Re: Advisory Services

This agreement (this “Agreement”) confirms that, as of June 29, 2018 (the “Effective Date”), Jefferies LLC (“Jefferies”) has been engaged by the Official Committee of Unsecured Creditors (the “Committee”), appointed in the bankruptcy cases (the “Cases”) of EXCO Resources, Inc. and its debtor affiliates as debtors and debtors in possession (collectively, the “Company” or the “Debtors”), which are now pending in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”) to act as set forth herein, subject to the Bankruptcy Court’s approval.

1. Services. Under this Agreement, Jefferies will, alongside Intrepid Partners, LLC (“Intrepid”), be co-investment banker to the Committee, and provide investment banking services in connection with a possible restructuring of certain liabilities of the Company, and/or a sale of the Company, and will assist the Committee, in analyzing, structuring, negotiating and effecting a Restructuring (as defined herein) pursuant to the terms and conditions of this Agreement. As used in this Agreement, the term “Restructuring” shall mean any of the following: (i) any restructuring, reorganization (whether or not pursuant to chapter 11 of the United States Bankruptcy Code (“Chapter 11”)), recapitalization, and/or merger of the Company affecting existing or potential debt obligations or other claims, including, without limitation, senior debt, junior debt, trade claims, general unsecured claims and/or preferred/common stock (collectively, the “Obligations”), and/or (ii) any material repurchase, refinancing, extension or repayment by the Company of any of the Obligations, and/or (iii) a sale, including via credit bid, or other disposition of substantially all of the assets and/or equity of the Company (for the avoidance of doubt, the consummation of any Chapter 11 plan shall be deemed a Restructuring). The investment banking services to be rendered by Jefferies, at the request of the Committee, will include the following:

(a) Assist the Committee in reviewing and analyzing proposals for proposed DIP financing or use of cash collateral;

(b) Analyze various restructuring scenarios and the potential impact of these scenarios on the recoveries of creditors by a Restructuring;

(c) Value securities or other consideration offered by the Company to its creditors in connection with a Restructuring;

Official Committee of Unsecured Creditors of EXCO Resources, Inc., *et al.*

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(d) Assist the Committee in valuing the enterprise, the Company's assets and recoveries under proposed plans of reorganization;

(e) Provide the Committee and the Committee's counsel with industry expertise and capital markets perspectives, to assist in evaluating the Debtors' business plan and any proposed plans of reorganization;

(f) Assist the Committee in evaluating the Company's debt capacity in the determination of an appropriate capital structure for the Company, and providing the Committee with analysis and advice with respect to any proposed capital structure for the Company;

(g) Advise and assist the Committee and, at the Committee's direction, participate in negotiations of any Restructuring;

(h) Meet with the Committee, the Company's management, the Company's board of directors and other creditor groups, equity holders or other parties in interest (in each case who are institutional parties or represented by an advisor) to discuss any Restructuring alternatives or proposals;

(i) Assess and advise the Committee with respect to the post-petition marketing process and identify strategic or financial parties that may not have been identified or pursued by the Company;

(j) Provide expert witness testimony concerning any of the subjects encompassed by the investment banking services;

(k) Assist the Committee in valuing any unencumbered assets of the Debtors' estates;

(l) Participate in hearings before the Bankruptcy Court (as defined herein) and provide testimony as required by the Committee; and

(m) Such other investment banking services in connection with a Restructuring as Jefferies and the Committee may agree.

Notwithstanding anything herein to the contrary, Jefferies shall have no responsibility for designing or implementing any initiatives to improve the Company's operations, profitability, cash management or liquidity. Jefferies makes no representations or warranties about the Company's ability to (i) successfully improve its operations, (ii) maintain or secure sufficient liquidity to operate its business, or (iii) successfully complete a Restructuring. Jefferies is retained under this Agreement solely to provide advice regarding a Restructuring and is not being retained to provide "crisis management" services or any legal, tax, accounting or actuarial services or advice. Nothing herein shall be construed to constitute a commitment, express or implied, on the part of Jefferies to underwrite, purchase or place any securities, in a financing or otherwise.

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2. Cooperation.

(a) The Committee shall furnish or use its best efforts to cause the Debtors to furnish Jefferies with all current and historical materials and information regarding the business and financial condition of the Debtors, which the Committee and/or the Debtors believe are relevant to the transactions contemplated hereby and all information and data that Jefferies shall reasonably request in connection with Jefferies' activities hereunder. In addition, the Committee shall use its best efforts to cause the Debtors to provide Jefferies full access, as requested, to the Debtors' officers, directors, employees and professional advisors. The Committee agrees to promptly advise Jefferies of all developments known to the Committee materially affecting the Committee, the Debtors, any proposed Restructuring or the accuracy of the information previously furnished to Jefferies by or on behalf of the Committee or the Debtors, and agrees to take commercially reasonable efforts to ensure that no material initiatives relating to the proposed Restructuring will be taken without Jefferies having been informed in advance thereof.

(b) The Committee further acknowledges that Jefferies (i) will be relying on information and data provided to Jefferies (including, without limitation, information provided by or on behalf of the Debtors, the Committee or other parties to a Restructuring) and available from generally recognized public sources, without having independently verified the accuracy or completeness thereof, (ii) does not assume responsibility for the accuracy or completeness of any such information and data, (iii) has not made, and will not make, any physical inspection or appraisal of the properties, assets or liabilities (contingent or otherwise) of the Debtors or any other party to a Restructuring and (iv) in relying on any financial forecasts that may be furnished to or discussed with Jefferies, will assume that such forecasts have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of management as to the future financial performance of the Debtors or other party to a Restructuring, as the case may be (and if such forecasts no longer reflect such estimates and judgments, then the Debtors will promptly inform, and provide updated forecasts to, Jefferies).

(c) The Committee acknowledges that this assignment may lead to an outcome not anticipated in this Agreement. In the event that circumstances have changed such that this engagement requires more of Jefferies' time and efforts than originally anticipated, the Committee agrees to meet and confer with Jefferies in good faith to determine the appropriate additional fees for Jefferies' services.

3. Use of Name, Advice, etc.

(a) No information or advice provided (other than any information or advice relating to the U.S. tax treatment and U.S. tax structure of any Restructuring) by Jefferies may be disclosed, in whole or in part, or summarized, excerpted from or otherwise referred to without Jefferies' prior written consent which shall not be unreasonably withheld. In addition, the Committee agrees that any reference to Jefferies in any release, communication or other material is subject to Jefferies' prior written approval, which may be given or withheld in its reasonable discretion, for each such reference.

Official Committee of Unsecured Creditors of EXCO Resources, Inc., et al.

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(b) Jefferies' advice is solely for the confidential use and information of the Committee (solely in the members' capacity as members of the Committee), and is only to be used in considering the matters to which this Agreement relates. Such advice may not be relied upon by any other person.

4. Compensation. Subject to approval of the Bankruptcy Court and all applicable orders, rules and guidelines, the Debtors shall pay Jefferies an amount equal to fifty percent (50%) of each of the following (it being understood that the other 50% will be earned by, and paid to, Intrepid):¹

(a) A nonrefundable monthly advisory fee (the "Monthly Fee") in the amount of \$150,000 per month, payable in cash, with the first Monthly Fee payable as of the first monthly anniversary of January 30, 2018 that follows the Effective Date, and additional installments of such Monthly Fee payable in advance on each monthly anniversary thereafter. After the first Monthly Fee has been received in full by Jefferies, fifty percent (50%) of all Monthly Fees received by Jefferies shall be credited once (without duplication) against the Deferred Fee (as defined below), provided, however, that in no event shall the Deferred Fee be reduced below zero;

(b) An additional fee (the "Deferred Fee") of \$2,500,000, which can only be earned one time under this Agreement. The Deferred Fee shall be earned on consummation of a Restructuring and shall be payable, in cash, on the consummation of a Restructuring.

The Committee acknowledges that in light of the prior involvement of Jefferies' Managing Director Matthew J. Hart as well as Jefferies' substantial experience and knowledge in the restructuring market, the uncertain nature of the time and effort that may be expended by Jefferies in fulfilling its duties hereunder, the opportunity cost associated with undertaking this engagement, and the "market rate" for professionals of Jefferies' stature in the restructuring market generally, the fee arrangement hereunder is just, reasonable and fairly compensates Jefferies for its services. The Committee further acknowledges that it believes Jefferies' general restructuring expertise and experience, its knowledge of the capital markets and its other capabilities will inure to the benefit of the Committee in connection with any Restructuring and that the value to the Committee of Jefferies' services hereunder derives in substantial part from that expertise and experience and that, accordingly, the structure and amount of the compensation hereunder is reasonable regardless of the number of hours to be expended by Jefferies' professionals in the performance of the services to be provided hereunder and that none of the fees hereunder shall be considered to be "bonuses" or fee enhancements under applicable law.

5. Expenses. In addition to any fees that may be paid to Jefferies hereunder, whether or not any Restructuring occurs, the Debtors shall reimburse Jefferies, promptly upon

¹ The Committee, its counsel and other professionals shall in no event be obligated to pay any compensation, expense reimbursement, indemnification or other amounts payable pursuant to this Agreement or otherwise in connection with Jefferies' engagement hereunder.

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receipt of an invoice therefor (and, if unpaid after 30 days from delivery of an invoice, shall thereafter carry interest from such delivery date, both before and after any judgment, at a rate equivalent to LIBOR plus 1% compounded quarterly until payment), for all out-of-pocket expenses (including reasonable fees and expenses of its counsel, and the reasonable fees and expenses of any other independent experts retained by Jefferies) incurred by Jefferies and its designated affiliates in connection with the engagement contemplated hereunder. Jefferies will coordinate its work and efforts with Intrepid in order to minimize any duplication of expenses incurred in connection with the services provided under this Agreement.

6. Duplication of Services. The services that Jefferies is to provide the Committee are separate and distinct from the financial advisory services that FTI Consulting, Inc. (“FTI”) will be providing to the Committee. In order to ensure there is no unnecessary duplication of services by Jefferies, Intrepid, and FTI during the pendency of this engagement, Jefferies will coordinate with Intrepid and FTI on the services to be provided to the Committee. At the Committee’s request, representatives of Jefferies, Intrepid, and FTI will meet to address an appropriate and efficient division of responsibilities as the need arises.

7. Indemnification, etc. As further consideration under this Agreement, the Debtors shall indemnify and hold harmless the Indemnified Persons (as defined in Schedule A) in accordance with Schedule A. The terms and provisions of Schedule A are incorporated by reference herein, constitute a part hereof and shall survive any termination or expiration of this Agreement. Neither Jefferies nor its affiliates shall be responsible or have any liability for any indirect, special or consequential damages arising out of or in connection with this Agreement or the transactions contemplated hereby, even if advised of the possibility thereof.

8. Termination. Jefferies’ engagement hereunder will automatically terminate upon consummation of a Restructuring and may be terminated upon thirty days’ written notice without Cause (as defined below) by the Committee or Jefferies; termination for Cause by either party will occur immediately. Notwithstanding the foregoing, (a) the provisions relating to the payment of fees and expenses accrued through the date of termination, the status of Jefferies as an independent contractor and the limitation as to whom Jefferies shall owe any duties, and any other provision of this Agreement that, by its terms, survives termination, will survive any such termination (Sections 3-5, 7 and 12-18), (b) any such termination shall not affect the Company’s obligations under the indemnification agreement attached as Attachment A, and (c) Jefferies shall be entitled to the Deferred Fee in the event that at any time prior to the expiration of eighteen months following the termination of this Agreement a definitive agreement with respect to a Restructuring is executed and a Restructuring is thereafter consummated. For the purposes of this Agreement, “Cause” shall mean gross negligence or willful misconduct, as decided by final determination by a court of competent jurisdiction. Notwithstanding the foregoing, in the event Jefferies voluntarily resigns without Cause or is terminated for Cause, before completing its engagement under this Agreement, Jefferies shall not be entitled to any Monthly Fees or any Deferred Fee subsequent to such resignation.

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9. Co-Retention. It is understood and agreed that the Committee has also engaged Intrepid in connection with this assignment pursuant to a separate engagement letter. It is expressly acknowledged that Jefferies and Intrepid will not be deemed for any purpose to be acting as an agent, joint venturer, or partner of the other, and that neither Jefferies nor Intrepid assumes any express or implied responsibility for or liability to the Committee, with respect to any acts, omissions, or performance of services by the other in connection with the subject matter of this Agreement or otherwise.

10. Exclusivity. The Committee will promptly inform Jefferies of any inquiry it may receive regarding a Restructuring. Notwithstanding the Debtors' obligations hereunder, including, but not limited to, their obligation to pay the fees and expenses of Jefferies and to indemnify Jefferies, it is understood and agreed that Jefferies' sole and exclusive client is the Committee, and Jefferies will in no circumstance be deemed to be an advisor to or have any obligation to any other party.

11. Bankruptcy Court Approval. The Committee shall use its best efforts to obtain prompt approval of this Agreement, pursuant to sections 328(a) and 1103 of the Bankruptcy Code, from the Bankruptcy Court. Such approval shall provide for the retention of Jefferies *nunc pro tunc* to June 29, 2018, shall incorporate all of the terms and conditions herein (explicitly including, but not limited to, the obligations and acknowledgements set forth in Schedule A), and shall provide that Jefferies' compensation shall be subject to the standard of review provided for in section 328(a) of the Bankruptcy Code, and not subject to any other standard of review under section 330 of the Bankruptcy Code. The Committee agrees that the application to retain Jefferies pursuant hereto, and the proposed order in connection therewith, will be subject to the prior approval of Jefferies in its sole and absolute discretion, and agrees that this Agreement (except for the obligations under Section 4 and Schedule A hereto) shall be null and void and Jefferies shall have no obligations hereunder unless such an order has been entered by the Bankruptcy Court and no appeal is pending as to such order.

12. Disclaimer.

(a) The Committee acknowledges that Jefferies' direct parent, Jefferies Group LLC, is a full service financial institution engaged in a wide range of investment banking and other activities (including, but not limited to, investment management, corporate finance, securities underwriting, trading and research and brokerage activities). The Committee also acknowledges that Jefferies Group LLC's ultimate parent, Jefferies Financial Group Inc., formerly known as Leucadia National Corporation, (collectively with its subsidiaries and affiliates (including Jefferies Group LLC), "Leucadia"), is a diversified holding company engaged through its consolidated subsidiaries in a variety of businesses, including, buying and selling companies and business lines and making strategic investments in other companies and businesses, in each case from which conflicting interests, or duties, may arise, and that Leucadia maintains certain officers, directors and employees who also perform the same or similar roles for Jefferies. Information that is held elsewhere within Leucadia, but of which none of the individuals in Jefferies' investment banking department involved in providing the services contemplated by this Agreement actually has (or without breach of internal procedures

Official Committee of Unsecured Creditors of EXCO Resources, Inc., et al.

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can properly obtain) knowledge, will not for any purpose be taken into account in determining Jefferies' responsibilities to the Committee under this Agreement. Neither Jefferies nor any other part of Leucadia has or will have any duty to disclose to the Committee or use for the Committee's benefit any non-public information acquired in the course of providing services to any other party, engaging in any transaction (on its own account or otherwise) or otherwise carrying on its business. In addition, in the ordinary course of business, Leucadia may trade the securities of the Debtors, members of the Committee and of potential participants in the Restructuring for its own account and for the accounts of customers, and may at any time hold a long or short position in such securities. Jefferies recognizes its responsibility for compliance with federal securities laws and regulations in connection with such activities. Further, the Committee acknowledges that from time to time Jefferies' research department may publish research reports or other materials, the substance and/or timing of which may conflict with the views or advice of the members of Jefferies' investment banking department, and may have an adverse effect on the Committee's interests in connection with the Restructuring or otherwise. Jefferies' investment banking department is managed separately from its research department, and does not have the ability to prevent such occurrences. Leucadia, its directors, officers and employees may also at any time invest on a principal basis or manage or advise funds that invest on a principal basis in any company that may be involved in the transactions contemplated hereby.

(b) The Committee acknowledges that Jefferies will act as an independent contractor hereunder, and that Jefferies' responsibility to the Committee is solely contractual in nature and that Jefferies does not owe the Committee, or any other person or entity, any fiduciary or similar duty as a result of its engagement hereunder or otherwise. Jefferies and its affiliates will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by other parties who are providing services to the Debtors or the Committee. The Committee acknowledges that Jefferies is not an advisor as to legal, tax, accounting or regulatory matters in any jurisdiction. The Committee also acknowledges that it has consulted with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of this Agreement and the transactions contemplated hereby, and Jefferies and its affiliates shall have no responsibility or liability with respect thereto. The Committee agrees that it is capable of evaluating the merits and risks of the transactions and the fees payable in connection therewith and that it understands and accepts the terms, conditions, and risks of the transactions and such fees. By signing this Agreement, the Committee expressly acknowledges that Jefferies does not guarantee, warrant or otherwise provide assurance that the Debtors and the Committee will be able to implement or consummate any Restructuring, or any other transaction contemplated herein, or achieve any other result.

13. Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York.

14. Exclusive Jurisdiction. Except as required by the Bankruptcy Court's Order approving this Agreement, the parties agree that any dispute, claim or controversy

Official Committee of Unsecured Creditors of EXCO Resources, Inc., et al.

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directly or indirectly relating to or arising out of this Agreement, the termination or validity of this Agreement, any alleged breach of this Agreement, the engagement contemplated by this Agreement or the determination of the scope of applicability of this Agreement pursuant to this Section 12 (any of the foregoing, a “Claim”) shall be commenced in the Commercial Division of the Supreme Court of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York, which courts shall have exclusive jurisdiction over the adjudication of such matters and shall decide the merits of each claim on the basis of the internal laws of the State of New York without regard to principles of conflicts of law. The Committee and Jefferies agree and consent to personal jurisdiction, service of process and venue of such courts, waive all right to trial by jury for any claim and agree not to assert the defense of *forum non conveniens*. The Committee and Jefferies also agree that service of process may be effected through next-day delivery using a nationally-recognized overnight courier or personally delivered to the addresses set forth or referred to in Section 15 hereof. The Debtors shall pay all of Jefferies’ costs and expenses (including, without limitation, fees and expenses of counsel) in an enforcement proceeding if the court in such proceeding determines that Jefferies is entitled to recover amounts due hereunder. The Committee and Jefferies further agree that a final, non-appealable judgment in respect of any claim brought in any such court shall be binding and may be enforced in any other court having jurisdiction over the party against whom the judgment is sought to be enforced.

15. Payments. All payments to be made to Jefferies hereunder shall be non-refundable and made in cash by wire transfer of immediately available U.S. funds. No fee payable to Jefferies hereunder shall be credited against any other fee due to Jefferies. The Debtors’ obligation to pay any fee or expense set forth herein shall be absolute and unconditional and shall not be subject to reduction by way of setoff, recoupment or counterclaim.

16. Announcements, etc. The Committee agrees that Jefferies may, following the announcement of a Restructuring, describe the Restructuring (or prior to a consummation or announcement of a Restructuring, Jefferies role as an advisor to the Committee) in any form of media or in Jefferies’ marketing materials, stating Jefferies’ role and other material terms of the Restructuring and using the Debtors’ name and logo in connection therewith. The Committee agrees that any press release it may issue announcing a Restructuring will, at Jefferies’ request, contain a reference to Jefferies’ role in connection with the Restructuring in form and substance reasonably satisfactory to Jefferies.

17. Notices. Notice given pursuant to any of the provisions of this Agreement shall be in writing and shall be mailed or delivered (a) if to the Committee, to Committee Counsel retained in the Cases, and (b) if to Jefferies, at 520 Madison Avenue, New York, New York 10022, Attention: General Counsel.

18. Miscellaneous This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and may not be amended or modified except in writing signed by each party hereto. This Agreement may not be assigned by

Official Committee of Unsecured Creditors of EXCO Resources, Inc., *et al.*

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either party hereto without the prior written consent of the other, to be given in the sole discretion of the party from whom such consent is being requested. Any attempted assignment of this Agreement made without such consent shall be void and of no effect, at the option of the non-assigning party. This Agreement is solely for the benefit of the Committee, Jefferies and, to the extent expressly set forth herein, the Indemnified Persons and no other party shall be a third party beneficiary to, or otherwise acquire or have any rights under or by virtue of, this Agreement; provided that Jefferies may, in the performance of its services hereunder, procure the services of other members of Leucadia, which members shall be entitled to the benefits and subject to the terms of this Agreement. If any provision hereof shall be held by a court of competent jurisdiction to be invalid, void or unenforceable in any respect, or against public policy, such determination shall not affect such provision in any other respect nor any other provision hereof. The Committee and Jefferies shall endeavor in good faith negotiations to replace the invalid, void or unenforceable provisions. Headings used herein are for convenience of reference only and shall not affect the interpretation or construction of this Agreement. This Agreement may be executed in facsimile or other electronic counterparts, each of which will be deemed to be an original and all of which together will be deemed to be one and the same document. This Agreement has been reviewed by the signatories hereto and their counsel. There shall be no construction of any provision against Jefferies because this Agreement was drafted by Jefferies, and the parties waive any statute or rule of law to such effect.

19. Patriot Act. Jefferies hereby notifies the Debtors, the Committee, and the Committee's members that pursuant to the requirements of the USA PATRIOT Improvement and Reauthorization Act. Pub. L. N 109-177 (Mar. 9, 2006) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Debtors, the Committee, and the Committee's members in a manner that satisfies the requirements of the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act.

Official Committee of Unsecured Creditors of EXCO Resources, Inc., *et al.*

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Please sign below and return to Jefferies to indicate your acceptance of the terms set forth herein, and once executed by each of Jefferies and the Committee (subject to approval by the Bankruptcy Court), this Agreement shall constitute a binding agreement among Jefferies and the Committee as of the date first written above.

Sincerely,

JEFFERIES LLC

By _____
Name: Matthew J. Hart
Title: Managing Director

Accepted and Agreed:

**OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF
EXCO RESOURCES, INC., *et al.***

By _____

SCHEDULE A

Reference is made to the Agreement attached hereto between Jefferies and the Committee. Unless otherwise noted, all capitalized terms used herein shall have the meanings set forth in the Agreement.

As further consideration under the Agreement, the Debtors agree to indemnify and hold harmless Jefferies and its affiliates, and each of their respective officers, directors, managers, members, partners, employees and agents, and any other persons controlling Jefferies or any of its affiliates (collectively, "Indemnified Persons"), to the fullest extent lawful, from and against any claims, liabilities, losses, damages, costs and expenses (or any action, claim, suit or proceeding (an "Action") in respect thereof), as incurred, related to or arising out of or in connection with Jefferies' services (whether occurring before, at or after the date hereof) under the Agreement, the Restructuring or any proposed transaction contemplated by the Agreement or any Indemnified Person's role in connection therewith, whether or not resulting from an Indemnified Person's negligence ("Losses"); provided, however, that the Debtors shall not be responsible for any Losses that arise out of or are based on any action of or failure to act by Jefferies to the extent such Losses are determined, by a final, non-appealable judgment by a court, to have resulted solely from Jefferies' gross negligence or willful misconduct (other than an action or failure to act undertaken at the express request or with the consent of the Committee).

The Debtors and the Committee agree that no Indemnified Person shall have any liability to the Debtors, the Committee or their respective owners, parents, affiliates, securityholders or creditors for any Losses, except to the extent such Losses are determined, by a final, non-appealable judgment by a court, to have resulted solely from Jefferies' gross negligence or willful misconduct (other than an action or failure to act undertaken at the request or with the consent of the Committee).

The Debtors agree that it will not settle or compromise or consent to the entry of any judgment in, or otherwise seek to terminate, any pending or threatened Action in respect of which indemnification or contribution may be sought hereunder (whether or not any Indemnified Person is a party to such Action) unless Jefferies has given its prior written consent, or the settlement, compromise, consent or termination (i) includes an express unconditional release of such Indemnified Person from all Losses arising out of such Action and (ii) does not include any admission or assumption of fault on the part of any Indemnified Person.

If, for any reason (other than by reason of a final, non-appealable judgment by a court as to the gross negligence or willful misconduct of Jefferies as provided above) the foregoing indemnity is judicially determined to be unavailable to an Indemnified Person for any reason or insufficient to hold any Indemnified Person harmless, then the Debtors agree to contribute to any such Losses in such proportion as is appropriate to reflect the relative benefits received or proposed to be received by the Debtors and its securityholders, on the one hand, and by Jefferies, on the other, from the Restructuring or proposed Restructuring or, if allocation on that basis is not permitted under applicable law, in such proportion as is appropriate to reflect not only the relative benefits received by the Debtors and its securityholders, on the one hand, and Jefferies, on the other, but also the relative fault of the Debtors and their securityholders on the one hand, and Jefferies, on the other, as well as any relevant equitable considerations. Notwithstanding the provisions hereof, the aggregate contribution of all Indemnified Persons to all Losses shall not exceed the amount of fees actually received by Jefferies with respect to the services rendered pursuant to the Agreement. Relative benefits to the Debtors and their securityholders, on the one hand, and to Jefferies, on the other hand, shall be deemed to be in the same proportion as (i) the total transaction value of the Restructuring or the proposed Restructuring bears to (ii) all fees actually received by Jefferies in connection with the Agreement.

The Debtors agree to reimburse the Indemnified Persons for all costs and expenses (including, without limitation, fees and expenses of counsel) incurred by the Indemnified Persons (including all such costs and expenses incurred to enforce the terms of this Schedule A) as they are incurred in connection with investigating, preparing, defending or settling any Action for which indemnification or contribution has or is reasonably likely to be sought by the Indemnified Person, whether or not in connection with litigation in which any Indemnified Person is a named party; provided, however, that if any such reimbursement is for expenses relating to a Loss that is determined, by a final, non-appealable judgment by a court, to have resulted solely from Jefferies' gross negligence or willful misconduct (other than an action or failure to act undertaken at the express request or with the consent of the Committee), such Indemnified Person shall promptly repay such amount to the Debtors.

The indemnity, contribution and expense reimbursement obligations set forth herein (i) shall be in addition to any liability the Debtors may have to any Indemnified Person at common law or otherwise, (ii) shall survive the expiration or termination of the Agreement or completion of Jefferies' services hereunder, (iii) shall apply to any modification of Jefferies' engagement, (iv) shall remain operative and in full force and effect regardless of any investigation made by or on behalf of Jefferies or any other Indemnified Person, (v) shall be binding on any successor or assign of the Debtors and successors or assigns to the Debtors' business and assets and (vi) shall inure to the benefit of any successor or assign of any Indemnified Person. For a period beginning on the date hereof and ending on that date which is three years from termination of this Agreement, prior to entering into any agreement or arrangement with respect to, or effecting, any proposed sale, exchange, dividend or other distribution or liquidation of all or a significant portion of its assets in one or a

SCHEDULE A

series of transactions or any significant recapitalization or reclassification of its outstanding securities that does not directly or indirectly provide for the assumption of the obligations of the Debtors set forth in this Schedule A, the Debtors will notify Jefferies in writing thereof (if not previously notified) and, if requested by Jefferies, shall arrange in connection therewith alternative means of providing for obligations of the Debtors set forth in this Schedule A, including the assumption of such obligations by another party, insurance, surety bonds or the creation of an escrow, in each case in an amount and upon terms and conditions satisfactory to Jefferies; provided, however, that if any action, proceeding or investigation is pending at the end of such three-year period for which a claim for indemnification, contribution or reimbursement under this Schedule A has been made, the Debtors' obligations hereunder shall continue until such action, proceeding or investigation has been ultimately resolved.