

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

<b>In re:</b>	§	<b>Case No. 16-31928</b>
	§	
<b>ENERGY XXI LTD, et al.,</b>	§	<b>(Chapter 11)</b>
	§	
<b>Debtors.<sup>1</sup></b>	§	<b>Jointly Administered</b>
	§	

**DEBTORS' APPLICATION FOR ENTRY OF AN  
ORDER AUTHORIZING THE RETENTION AND EMPLOYMENT  
OF PJT PARTNERS LP AS INVESTMENT BANKER FOR THE DEBTORS  
AND DEBTORS IN POSSESSION *NUNC PRO TUNC* TO THE PETITION DATE**

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**A HEARING WILL BE CONDUCTED ON THIS MATTER ON JUNE 9, 2016 AT 2:00 P.M. CT IN COURTROOM 400, 4TH FLOOR, UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF TEXAS, 515 RUSK AVENUE, HOUSTON, TEXAS 77002. IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING, SPECIFICALLY ANSWERING EACH PARAGRAPH OF THIS PLEADING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT WITHIN TWENTY-ONE DAYS FROM THE DATE YOU WERE SERVED WITH THIS PLEADING. YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PERSON WHO SENT YOU THE NOTICE; OTHERWISE, THE COURT MAY TREAT THIS PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.**

**REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.**

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<sup>1</sup> The Debtors in these chapter 11 cases and the last four digits of their respective federal tax identification numbers are: Anglo-Suisse Offshore Pipeline Partners, LLC (9562), Delaware EPL of Texas, LLC (9562), Energy Partners Ltd., LLC (9562), Energy XXI GOM, LLC (0027), Energy XXI Gulf Coast, Inc. (8595), Energy XXI Holdings, Inc. (1638), Energy XXI, Inc. (2108), Energy XXI Leasehold, LLC (8121), Energy XXI Ltd (9286), Energy XXI Natural Gas Holdings, Inc. (7517), Energy XXI Offshore Services, Inc. (4711), Energy XXI Onshore, LLC (0308), Energy XXI Pipeline, LLC (5863), Energy XXI Pipeline II, LLC (8238), Energy XXI Services, LLC (3999), Energy XXI Texas Onshore, LLC (0294), Energy XXI USA, Inc. (8552), EPL of Louisiana, L.L.C. (9562), EPL Oil & Gas, Inc. (9562), EPL Pioneer Houston, Inc. (9749), EPL Pipeline, L.L.C. (1048), M21K, LLC (3978), MS Onshore, LLC (8573), Natural Gas Acquisition Company I, LLC (0956), Nighthawk, L.L.C. (9562), and Soileau Catering, LLC (2767). The location of the Debtors' U.S. corporate headquarters and the Debtors' service address is: 1021 Main Street, Suite 2626, Houston, Texas 77002.

**TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:**

The above-captioned debtors and debtors in possession (collectively, the “*Debtors*”), file this *Application for Entry of an Order Authorizing the Retention and Employment of PJT Partners LP as Investment Banker for the Debtors and Debtors in Possession Nunc Pro Tunc to the Petition Date* (the “*Application*”) and in support respectfully submit the following:

**JURISDICTION AND VENUE**

1. The United States Bankruptcy Court for the Southern District of Texas (the “*Court*”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A).

2. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory bases for the relief requested herein are sections 327(a) and 328(a) of title 11 of the United States Code (the “*Bankruptcy Code*”), rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”), and rules 2014-1(b) and 9013-1 of the Local Bankruptcy Rules for the Southern District of Texas (the “*Local Rules*”).

**BACKGROUND**

4. On April 14, 2016 (the “*Petition Date*”), the Debtors each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors’ chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015(b). On April 26, 2016, the United States Trustee for the Southern District of Texas (the “*U.S. Trustee*”) appointed an official committee of unsecured creditors [Docket No. 142].<sup>2</sup>

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<sup>2</sup> Additional information regarding the Debtors and these cases, including the Debtors’ business operations, capital structure, financial condition, and the reasons for and objectives of these cases, is set forth in the *Declaration of Bruce W. Busmire in Support of Chapter 11 Petitions and First Day Pleadings* [Docket No. 30].

**RELIEF REQUESTED**

5. By this Application, the Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the “*Order*”), authorizing the retention and employment of PJT Partners LP (“*PJT*”) as investment banker for the Debtors, effective *nunc pro tunc* to the Petition Date, in accordance with the terms and conditions of that certain engagement letter, dated as of February 12, 2016 (the “*Engagement Letter*”), annexed as **Exhibit 1** to the Order.

6. In further support of this Application, the Debtors submit the Declaration of Peter Laurinaitis in Support of the Debtors’ Application for Entry of an Order Authorizing the Retention and Employment of PJT Partners LP as Investment Banker for the Debtors and Debtors in Possession, Effective *Nunc Pro Tunc* to the Petition Date (the “*Laurinaitis Declaration*”), which declaration is attached hereto as **Exhibit B**, and the Declaration of Annah Kim-Rosen in Support of the Debtors’ Application for Entry of an Order Authorizing the Retention and Employment of PJT Partners LP as Investment Banker for the Debtors and Debtors in Possession, Effective *Nunc Pro Tunc* to the Petition Date (the “*Kim-Rosen Declaration*”), which declaration is attached hereto as **Exhibit C**, and are incorporated by reference in this Application.

**PJT’S QUALIFICATIONS**

7. As set forth in the Laurinaitis Declaration, PJT’s restructuring and reorganization advisory operation is one of the leading advisors to companies and creditors in restructurings and bankruptcies. PJT was spun off from The Blackstone Group L.P. (“*Blackstone*”) effective October 1, 2015.<sup>3</sup> Upon the consummation of the spinoff, Blackstone’s restructuring and

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<sup>3</sup> On October 7, 2014, the board of directors of Blackstone’s general partner approved a plan to spin off its financial and strategic advisory services, restructuring and reorganization advisory services and Park Hill fund placement businesses, and to combine these businesses with an independent financial advisory firm founded by Paul J. Taubman, to form an independent, publicly traded company called PJT Partners Inc. PJT is a wholly-owned subsidiary of PJT Partners Holdings LP, a holding partnership that is controlled by PJT Partners Inc., as general partner. PJT Partners Inc. is led by Paul J. Taubman, as chairman and chief executive officer. This spinoff was effected via a multi-step transaction.

reorganization advisory group became a part of PJT, and Blackstone's restructuring professionals became employees of PJT. The former Blackstone restructuring professionals, in their capacity as PJT employees, have been conducting business at and providing their clients with the same high-quality restructuring services that Blackstone had itself provided since the formation of its restructuring advisory practice 25 years ago. PJT professionals have extensive experience working with financially troubled companies in complex financial restructurings. Since 1991, PJT professionals have advised on more than 400 distressed situations, both in and out of court, involving more than \$1.5 trillion of total liabilities.

8. The partners and members of PJT's restructuring and reorganization practice have assisted and advised in numerous chapter 11 cases. In particular, the partners and members of PJT's restructuring and reorganization practice have provided services to debtors, creditors' committees and other constituencies in numerous chapter 11 cases, including, among others: *In re Venoco, Inc.*, No. 16-10655 (KG) (Bankr. D. Del. April 20, 2016); *In re Arch Coal, Inc.*, No. 16-40120-705 (CER) (Bankr. E.D. Mo. Mar. 23, 2016); *In re Verso Corp.*, No. 16-10163 (KG) (Bankr. D. Del. Feb. 23, 2016); *In re Walter Energy, Inc.*, No. 15-02741 (TOM) (Bankr. N.D. Ala. Dec. 8, 2015); *In re Samson Resources Corp.*, No. 15-11934 (CSS) (Bankr. D. Del. Oct. 29, 2015); *In re Magnum Hunter Res., Corp.*, No. 15-12533 (KG) (Bankr. D. Del. Jan. 28, 2016); *In re Molycorp, Inc.*, No. 15-11357 (CSS) (Bankr. D. Del. Aug. 17, 2015); *In re Edison Mission Energy*, No. 12-49219 (JPC) (Bankr. N.D. Ill. Feb. 20, 2013); *In re Allen Sys. Grp., Inc.*, No. 15-10332 (KJC) (Bankr. D. Del. Feb. 18, 2015); *In re Caesars Entm't Operating Co., Inc.*, No. 15-01145 (ABG) (Bankr. N.D. Ill. Jan. 15, 2015); *In re Legend Parent, Inc.*, No. 14-10701 (REG) (Bankr. S.D.N.Y. March 20, 2014); *In re A123 Sys. Inc.*, No. 12-12859 (KJC) (Bankr. D. Del. Dec. 10, 2012); *In re Hostess Brands, Inc.*, No. 12-22052 (RDD) (Bankr. S.D.N.Y. Feb. 23, 2012); *In re Hawker Beechcraft, Inc.*, No. 12-11873 (SMB) (Bankr. S.D.N.Y. May 3, 2012); *In*

*re Eastman Kodak Co.*, No. 12-10202 (ALG) (Bankr. S.D.N.Y. Jan. 19, 2012); *In re Dynege Holdings, LLC*, No. 11-38111 (CGM) (Bankr. S.D.N.Y. Jan. 19, 2012); *In re Evergreen Solar, Inc.*, No. 11-12590 (MFW) (Bankr. D. Del. Oct. 12, 2011); *In re Harry & David Holdings, Inc.*, No. 11-10884 (MFW) (Bankr. D. Del. March 28, 2011); *In re Vitro America, LLC*, No. 10-47470 (RFN) (Bankr. N.D. Tex. Nov. 17, 2010); *In re Hawkeye Renewables, LLC*, No. 09-14461 (KJC) (Bankr. D. Del. March 16, 2010); *In re R.H. Donnelley Corp.*, No. 09-11833 (KG) (Bankr. D. Del. Aug. 21, 2009); *In re Station Casinos Inc.*, No. 09-52477 (GWZ) (Bankr. D. Nev. July 28, 2009); *In re Spansion, Inc.*, No. 09-10690 (KJC) (Bankr. D. Del. March 1, 2009); *In re Smurfit-Stone Container Corp.*, No. 09-10235 (BLS) (Bankr. D. Del. Jan. 26, 2009); *In re Bally Total Fitness of Greater New York, Inc.*, No. 08-14818 (BRL) (Bankr. S.D.N.Y. Dec. 3, 2008). In addition, the restructuring group has provided general restructuring advice to major companies such as Ford Motor Company, The Goodyear Tire & Rubber Company, and Xerox Corporation.

9. Since its engagement on February 12, 2016, PJT has advised the Debtors in connection with their efforts to explore restructuring and other strategic alternatives. During this time, PJT has become intimately familiar with the Debtors' businesses, affairs, assets, and contractual arrangements. PJT has worked closely with the Debtors and their management to analyze the Debtors' financial positions and to assist the Debtors in evaluating various restructuring options. Accordingly, PJT has the necessary background to deal effectively and efficiently with the many financial issues that may arise in the context of these chapter 11 cases.

10. As a result of the prepetition work performed on behalf of the Debtors, PJT has acquired significant knowledge of the Debtors' financial affairs, debt structure, business operations, capital structure, key stakeholders, financing documents, and other related material information. Likewise, in providing prepetition services to the Debtors, PJT's professionals have

worked closely with the Debtors' management, board of directors, and other advisors. If the Application is approved, several of PJT's professionals, all with substantial expertise in the areas discussed above, will continue to work closely with the Debtors' management and other professionals throughout the reorganization process. Accordingly, as a result of PJT's representation of the Debtors prior to the commencement of these chapter 11 cases and PJT's vast experience and expertise, PJT is well qualified to provide these services and represent the Debtors in their chapter 11 cases.

**SERVICES TO BE PROVIDED<sup>4</sup>**

11. Subject to further order of the Court, and consistent with the Engagement Letter, the Debtors propose to retain PJT to continue to render the following investment banking services to the Debtors as necessary, appropriate, feasible, and as may be requested by the Debtors:

- a. assist the Debtors in evaluating the Debtors' businesses and prospects;
- b. assist the Debtors in developing the Debtors' long-term business plan and related financial projections;
- c. assist the Debtors in developing financial data and presentations to the Debtors' Board of Directors, various creditors, and other third parties;
- d. analyze the Debtors' financial liquidity and evaluate alternatives to improve such liquidity;
- e. analyze various restructuring scenarios and the potential impact of these scenarios on the recoveries of those stakeholders impacted by the restructuring;

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<sup>4</sup> The summary of the Engagement Letter contained in this Application is provided for informational purposes only. In the event of any inconsistency between the summary contained herein and the terms and provisions of the Engagement Letter, the terms of the Engagement Letter, as approved by the Court pursuant to the Order, shall control. Capitalized terms used herein but not otherwise defined shall have the meanings ascribed them in the Engagement Letter.

- f. provide strategic advice with regard to restructuring or refinancing the Debtors' existing or potential debt obligations or other claims, including, without limitation, senior debt, junior debt, trade claims, general unsecured claims, and preferred stock (collectively, the "*Obligations*");
- g. evaluate the Debtors' debt capacity and alternative capital structures;
- h. participate in negotiations among the Debtors and their creditors, suppliers, lessors, and other interested parties;
- i. value securities offered by the Debtors in connection with a Restructuring;
- j. advise the Debtors and negotiate with lenders with respect to potential waivers or amendments of various credit facilities;
- k. assist in arranging financing for the Debtors, as requested by the Debtors;
- l. provide expert witness testimony concerning any of the subjects encompassed by any investment banking services;
- m. assist the Debtors in preparing marketing materials in conjunction with a possible Transaction;
- n. assist the Debtors in identifying potential buyers or parties in interest to a Transaction and assist in any due diligence process;
- o. assist and advise the Debtors concerning the terms, conditions, and impact of any proposed Transaction; and
- p. provide such other advisory services as are customarily provided in connection with the analysis and negotiation of a Restructuring or a Transaction, as requested and mutually agreed to by the Debtors and PJT.

12. If the Debtors request that PJT perform services not contemplated by the Engagement Letter, PJT and the Debtors will agree, in writing, on the terms for such services and seek the Court's approval thereof. The services that PJT will provide to the Debtors are necessary to enable the Debtors to maximize the value of their estates. The Debtors believe that the services will not duplicate the services that other professionals will be providing to the

Debtors in these chapter 11 cases. Specifically, PJT will carry out unique functions and will use reasonable efforts to coordinate with the Debtors' other retained professionals to avoid unnecessary duplication of services. The Debtors firmly believe that PJT will provide these necessary services in a cost-effective, efficient, and timely manner.

### **PROFESSIONAL COMPENSATION**

13. In consideration of the services to be provided by PJT, and as more fully described in the Engagement Letter, subject to this Court's approval, the Debtors and PJT have agreed that PJT shall, in respect of its services, be compensated under the following fee structure (the "***Fee Structure***"):

- a. ***Monthly Fee***: The Debtors will pay PJT a monthly advisory fee (the "***Monthly Fee***") in the amount of \$175,000, per month, in cash, with the first Monthly Fee payable upon the execution of the Engagement Letter by both parties and additional installments of such Monthly Fee payable in advance on each monthly anniversary of the Effective Date;
- b. ***Restructuring Fee***: The Debtors will pay PJT an additional fee (the "***Restructuring Fee***") equal to \$10,500,000. The Restructuring Fee will be:
  - (i) earned on the earliest of:
    - (A) consummation of the Restructuring,<sup>5</sup>
    - (B) in the event the Debtor attempts to implement the Restructuring in whole or in part by means of an exchange offer, then upon consummation of the exchange offer (an "***Exchange Offer***"),
    - (C) in the event that the Debtor attempts to implement the Restructuring by means of a pre-negotiated plan of

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<sup>5</sup> Except as otherwise provided in the Engagement Letter, a Restructuring shall be deemed to have been consummated upon (a) the binding execution and effectiveness of all necessary waivers, consents, amendments or restructuring agreements between the Debtor and its creditors involving the compromise of the face amount of such Obligations or the conversion of all or part of such Obligations into alternative securities, including equity, in the case of an out-of-court restructuring; or (b) the confirmation and consummation of a Plan of Reorganization pursuant to an order of the Bankruptcy Court, in the case of an in-court restructuring.



reorganization under Chapter 11, the receipt of sufficient commitments, agreements or other expressions of intention to accept such plan that the Debtor elects to file a Chapter 11 case and therein represent to the Bankruptcy Court hearing such case that the Debtor will seek to confirm a plan based on the pre-negotiated plan, and

- (D) in the event that the Debtor solicits acceptances for a prepackaged plan of reorganization under Chapter 11 to implement the Restructuring, then on the date established as the voting deadline for such acceptances or rejections, provided that at least one class of creditors impaired by such plan has accepted such plan and the Debtor elects to pursue confirmation of the prepackaged plan and
- (ii) payable, in immediately available funds, on the earliest of:
- (A) consummation of the Restructuring,
  - (B) consummation of an Exchange Offer,
  - (C) the first business day immediately following (I) in the case of clause “(C)” above, 50% upon the filing with the Bankruptcy Court of such plan of reorganization based on the prenegotiated plan described in clause “(C)” above, and 50% upon consummation of the Restructuring, and (II) in the case of clause “(D)” above, 50% upon the deadline for delivery of acceptances or rejections of a prepackaged plan of reorganization and 50% upon consummation of the Restructuring, provided at least one class of creditors impaired by such plan has accepted such plan and the Debtor elects to pursue confirmation of the prepackaged plan,
  - (D) two years after the date on which any such Restructuring Fee is earned.

Notwithstanding the foregoing, (a) a Restructuring specifically shall be deemed to exclude any assumption at face value of Obligations in connection with the sale or disposition of any subsidiaries, joint ventures, assets or lines of business of the Debtor and (b) the restructured Obligations shall exclude any Obligations in respect of which a Restructuring Fee has previously been paid;

- c. **Capital Raising Fee:** The Debtors will pay PJT a capital raising fee (the “*Capital Raising Fee*”) for any financing arranged by PJT Partners, at the Debtor’s request, earned and payable upon closing of the applicable capital raising transaction. If access to the

financing is limited by orders of the bankruptcy court, a proportionate fee shall be payable with respect to each available commitment (irrespective of availability blocks, borrowing base, or other similar restrictions). The Capital Raising Fee will be calculated as 1.0% of the total issuance size for senior debt financing, 3.0% of the total issuance size for junior debt financing, and 5.0% of the issuance amount for equity financing. Notwithstanding the foregoing, the Capital Raising Fee shall in no event exceed \$25 million. Thirty-three and 1/3 percent (33.33%) of any Capital Raising Fee shall be credited (without duplication) to any Restructuring Fee or Transaction Fee. If financing arranged by PJT Partners (and use of proceeds generated from such financing) is the only Restructuring undertaken, PJT Partners, in its sole discretion, may choose to be paid either the Capital Raising Fee or the Restructuring Fee, but not both;

- d. **Transaction Fee:** Upon the consummation of a Transaction, the Debtors will pay PJT a Transaction fee (“**Transaction Fee**”) payable in cash directly out of the gross proceeds of the Transaction calculated as 1% of the Consideration. Upon the consummation of a Transaction in which all or substantially all assets of the Debtor are sold, PJT Partners, in its sole discretion, shall be entitled to either the Transaction Fee or the Restructuring Fee, but not both, and in no event shall the Transaction Fee be greater than the Restructuring Fee.
- e. **Expense Reimbursement:** The Debtors will reimburse PJT for all reasonable and documented out-of-pocket expenses incurred during the engagement, including, but not limited to, travel and lodging, direct identifiable data processing, document production, publishing services and communication charges, courier services, working meals, reasonable fees and expenses of PJT’s counsel (not to exceed \$100,000 except as provided in the attached indemnification agreement without the Debtor’s prior consent not to be unreasonably withheld and without the requirement that the retention of such counsel be approved by the court in any Bankruptcy Case) and other necessary expenditures, payable upon rendition of invoices setting forth in reasonable detail the nature and amount of such expenses. In connection therewith the Debtor shall pay PJT on the Effective Date and maintain thereafter a \$100,000 expense advance for which PJT Partners shall account upon termination of the Engagement Letter.

13. PJT’s strategic and financial expertise, as well as its capital markets knowledge, financing skills, and restructuring capabilities, some or all of which have and will be required by

the Debtors during the term of PJT's engagement, were important factors to the Debtors in determining the Fee Structure. Given the numerous issues that PJT may be required to address in these chapter 11 cases, PJT's commitment to the variable level of time and effort necessary to address all such issues as they arise, and the market prices for PJT's services for engagements of this nature in both out-of-court and chapter 11 contexts, the Debtors agree that the fee arrangements in the Engagement Letter are reasonable under the standards set forth below.

14. PJT's employment and compensation arrangements are competitive with those entered into by other investment banking firms when rendering comparable services. In determining the Fee Structure and the reasonableness of such compensation, the Debtors compared PJT's fee proposal to comparable precedents. After such comparison, followed by discussions and arm's-length negotiations, the Debtors concluded that the Fee Structure is in fact reasonable.

15. To the best of the Debtors' knowledge, information and belief, no promises have been received by PJT as to compensation in connection with these chapter 11 cases other than as outlined in the Engagement Letter, and PJT has no agreement with any other entity to share any compensation received with any person other than the principals and employees of PJT.

16. During the pendency of these chapter 11 cases, PJT 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 applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and the *Guidelines for Reviewing Applications for Compensation filed under 11 U.S.C. § 330* (the "*U.S. Trustee Guidelines*"), and any other applicable procedures and orders of the Court, including

any order approving this Application (to the extent compliance is not waived) and consistent with the proposed compensation set forth in the Engagement Letter.

17. PJT will maintain records in support of any actual, necessary costs and expenses incurred in connection with the rendering of its services in these chapter 11 cases. However, because: (a) it is not the general practice of investment banking firms such as PJT to keep detailed time records similar to those customarily kept by attorneys; (b) PJT does not ordinarily keep time records on a “project category” basis; and (c) PJT’s compensation is based on a fixed Monthly Fee and Capital Raising Fee, Restructuring Fee, and/or Transaction Fee, the Debtors respectfully request that PJT’s professionals only be required to maintain records (in summary format) of the services rendered for the Debtors, including summary descriptions of those services, the approximate time expended in providing those services (in one-half hour increments), and the identity of the professionals who provided those services. PJT will present such records to the Court in its fee applications. Moreover, the Debtors respectfully request that PJT’s professionals not be required to keep time records on a “project category” basis, that its non-investment banking professionals and personnel in administrative departments (including legal) not be required to maintain any time records, and that it not be required to provide or conform to any schedule of hourly rates. To the extent that PJT would otherwise be required to submit more detailed time records for its professionals pursuant to Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the U.S. Trustee Guidelines, or other applicable procedures and orders of the Court, the Debtors respectfully request that this Court waive such requirements.

18. Prior to the Petition Date, according to the Debtors’ books and records, the Debtors paid PJT \$525,000 for fees and \$31,344.85 for reimbursement of expenses during the 90-day period before the Petition Date. Separately, PJT has received a prepetition expense

deposit of \$100,000 that will be applied against any prepetition expenses incurred but not yet received due to delay in third-party vendors in providing invoices, with the remaining balance, if any, credited against postpetition expenses.

### **INDEMNIFICATION**

19. As part of the overall compensation payable to PJT under the terms of the Engagement Letter, the Debtors have agreed to certain indemnification, contribution, and reimbursement obligations, as more fully described in Attachment A of the Engagement Letter (the “*Indemnification Agreement*”). The Indemnification Agreement provides that the Debtors will indemnify, defend, and hold harmless PJT and its affiliates, and their respective current and former directors, officers, agents, employees, attorneys, and other representatives and the successors and assigns of all the foregoing persons (each, an “*Indemnified Party*”) from and against any losses, claims, damages, fines, penalties, liabilities, and expenses (“*Losses*”) in connection with any matter in any way relating to or referred to in the Engagement Letter or arising out of the matters contemplated by the Engagement Letter, including, without limitation, related services and activities prior to the date of the Engagement Letter, except to the extent that it shall be determined by a court of competent jurisdiction in a judgment that has become final in that it is no longer subject to appeal or other review that such Losses resulted solely from the gross negligence, bad faith, or willful misconduct of such Indemnified Party. The Debtors, however, will not be liable for any Liabilities that are finally judicially determined by a court of competent jurisdiction to have primarily resulted from the gross negligence, bad faith or willful misconduct of any Indemnified Party.

20. The Engagement Letter’s indemnification and contribution provisions were fully negotiated by the Debtors and PJT at arm’s length and in good faith, and the Debtors respectfully submit that these indemnification and contribution provisions of the Engagement Letter are

reasonable, subject to the modifications set forth in the proposed Order. The Debtors believe that the indemnification provisions in the Engagement Letter are appropriate and reasonable for investment banking engagements both out of court and in chapter 11 cases, and reflect the qualifications and limitations on indemnification provisions that are customary in this district and other jurisdictions.

**NO DUPLICATION OF SERVICES**

21. The Debtors believe that the services provided by PJT will not duplicate the services that other professionals will be providing to the Debtors in these chapter 11 cases. Specifically, PJT will carry out unique functions and will use reasonable efforts to coordinate with the Debtors and the other professionals retained in these chapter 11 cases to avoid the unnecessary duplication of services.

**PJT'S DISINTERESTEDNESS**

22. PJT has reviewed the list of parties in interest provided by the Debtors. To the best of the Debtors' knowledge, information, and belief, and except to the extent disclosed herein and in the Laurinaitis Declaration and the Kim-Rosen Declaration, PJT: (a) is a "disinterested person" as defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, (b) does not hold or represent an interest materially adverse to the Debtors' estates, (c) has no connection to the Debtors, their creditors, nor the employees of the Office of the United States Trustee.

23. Given the large number of parties in interest in these chapter 11 cases, despite the efforts to identify and disclose PJT's relationships with parties in interest in these chapter 11 cases, PJT is unable to state with complete certainty that every client relationship or other connection has been disclosed in the Kim-Rosen Declaration. PJT will make continued inquiries following the filing of the Application, on a periodic basis, to monitor for any matters that might

affect its disinterested status. To the extent that any new relevant facts or relationships bearing on the matters described herein during the period of PJT's retention are discovered or arise, PJT will use reasonable efforts to promptly file a supplemental declaration.

24. The Debtors are informed that PJT will not share any compensation to be paid by the Debtors, in connection with services to be performed after the Petition Date, with any other person, other than principals and employees of PJT, to the extent required by section 504 of the Bankruptcy Code.

### **BASIS FOR RELIEF**

**A. The Debtors Should be Permitted to Retain and Employ PJT on the Terms in the Engagement Letter Pursuant to Sections 327 and 328 of the Bankruptcy Code.**

25. The Debtors seek approval of the retention and employment of PJT pursuant to sections 327(a), 328(a), and 1107(b) of the Bankruptcy Code. Section 328(a) of the Bankruptcy Code provides, in relevant part, that a debtor in possession, "with the court's approval, may employ or authorize the employment of a professional person under section 327 . . . 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). Section 327(a) of the Bankruptcy Code, in turn, authorizes a debtor in possession to employ professionals that "do not hold or represent an interest adverse to the estate, and that are disinterested persons." 11 U.S.C. § 327(a). Section 1107(b) of the Bankruptcy Code provides that "a person is not disqualified for employment under section 327 of [the Bankruptcy Code] by a debtor in possession solely because of such person's employment by or representation of the debtor before the commencement of the case." 11 U.S.C. § 1107(b).

26. Section 328 of the Bankruptcy Code permits the compensation of professionals, including investment bankers and financial advisors, on more flexible terms that reflect the

nature of their services and market conditions. As the U.S. Court of Appeals for the Fifth Circuit recognized in *Donaldson Lufkin & Jenrette Securities Corp. v. National Gypsum Co. (In re National Gypsum Co.)*, 123 F.3d 861 (5th Cir. 1997):

Prior to 1978 the most able professionals were often unwilling to work for bankruptcy estates where their compensation would be subject to the uncertainties of what a judge thought the work was worth after it had been done. That uncertainty continues under the present § 330 of the Bankruptcy Code, which provides that the court award to professional consultants “reasonable compensation” based on relevant factors of time and comparable costs, etc. Under present § 328 the professional may avoid that uncertainty by obtaining court approval of compensation agreed to with the trustee (or debtor or committee).

123 F.3d at 862 (footnote omitted).

27. The Court’s approval of the Debtors’ retention of PJT in accordance with the terms and conditions of the Engagement Letter is warranted. First, as discussed above, in the Laurinaitis Declaration and the Kim-Rosen Declaration, PJT satisfies the disinterestedness standard in section 327(a) of the Bankruptcy Code.<sup>6</sup> Engaged prepetition, PJT had been advising the Debtors for a considerable period of time prior to the commencement of these chapter 11 cases and has already committed a significant amount of time and effort with respect to the transactions to be consummated postpetition. PJT is needed postpetition to continue to assist with negotiations, as necessary, to provide expert advice and testimony regarding financial matters related to the proposed transactions, and to enable the Debtors to discharge their duties as

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<sup>6</sup> Bankruptcy Rule 2014(a) requires that an application must be made for retention of professionals pursuant to section 327 of Bankruptcy Code. Under Bankruptcy Rule 2014(a), such application shall: “state the specific facts showing the necessity for the employment, the name of the person to be employed, the reasons for the selection, the professional services to be rendered, any proposed arrangement for compensation, and, to the best of the applicant’s knowledge, all of the person’s connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee.” Additionally, the application “shall be accompanied by a verified statement of the person to be employed setting forth the person’s connections” to the parties in interest listed above. Fed. R. Bankr. P. 2014. Here, Bankruptcy Rule 2014 is satisfied by the contents of this Application, the Laurinaitis Declaration and the Kim-Rosen Declaration.



debtors and debtors in possession. PJT's professionals have extensive experience and an excellent reputation in providing high-quality investment banking services to debtors and creditors in bankruptcy reorganizations, mergers and acquisitions, and other restructurings. PJT has become familiar with the Debtors' business operations, capital structure, financing documents, and other material information and is able to assist the Debtors in their restructuring efforts. The Debtors believe that PJT is well qualified to provide its services to the Debtors in a cost-effective, efficient, and timely manner. Furthermore, as detailed above, PJT does not hold or represent an interest adverse to the estate and is disinterested.

28. The Fee Structure is consistent with PJT's normal and customary billing practices for cases of this size and complexity that require the level of scope and services outlined herein. In particular, the Debtors believe that the Fee Structure creates a proper balance between fixed monthly fees and contingency fees. In addition, the Debtors believe that the Fee Structure is market-based, fair, and reasonable under the standards set forth in section 328(a) of the Bankruptcy Code. The Fee Structure reflects PJT's commitment to the variable level of time and effort necessary to perform the services contemplated by the Engagement Letter, PJT's particular expertise, and the market prices for PJT's services for engagements of this nature both out of court and in a chapter 11 context. Indeed, the Debtors believe that the Fee Structure appropriately reflects: (a) the nature and scope of services to be provided by PJT; (b) PJT's substantial experience with respect to investment banking services; and (c) the fee structures typically utilized by PJT and other leading investment banks and financial advisors who do not bill their clients on an hourly basis. Notwithstanding the foregoing and pursuant to the Order, the Office of the United States Trustee for the Southern District of Texas (the "*U.S. Trustee*"),

retains all rights to object to PJT's fee application (including expense reimbursements) pursuant to section 330 of the Bankruptcy Code.

29. As set forth above, and notwithstanding approval of the Engagement Letter under section 328 of the Bankruptcy Code, PJT 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 applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the U.S. Trustee Guidelines, and any other applicable procedures and orders of the Court, with certain limited modifications.

30. The Debtors request that the requirements of the Uniform Texas Procedures for Complex Chapter 11 Cases (the "*Complex Rules*") and the U.S. Trustee Guidelines be tailored to appropriately reflect PJT's engagement and its compensation structure. PJT has requested, pursuant to section 328(a) of the Bankruptcy Code, payment of its fees on a fixed-rate and/or fixed-percentage basis. Additionally, it is not the general practice of investment banking firms to keep detailed time records similar to those customarily kept by attorneys. As discussed above, however, PJT's restructuring personnel will keep summary time records in one-half hour increments describing their daily activities and the identity of persons who performed such tasks. Apart from the time-recording practices described above, however, PJT's restructuring personnel do not maintain their time records on a "project category" basis. As such, the Debtors request modification of the requirements of the Complex Rules.

**B. The Indemnification and Contribution Terms of the Engagement Letter are Appropriate.**

31. The indemnification and contribution provisions in the Engagement Letter, as modified by the Order attached hereto, were fully negotiated between the Debtors and PJT. The Debtors and PJT believe that the indemnification provisions in the Engagement Letter are

customary and reasonable for investment banking engagements both out of court and in chapter 11 cases. Such terms of indemnification, as modified by the Order authorizing PJT's retention, reflect the qualifications and limits on such terms that are customary in this jurisdiction and are in substantially the same form as terms that have been approved by this Court in other recent cases. *See, e.g., In re Sherwin Alumina Co., LLC*, 16-20012 (Bankr. S.D. Tex. Feb. 02, 2016); *In re RAMM Global Energy Co.*, No. 15-35615 Dec. 7, 2015); *In re BPZ Resources, Inc.*, No. 15-60016 (DRJ) (Bankr. S.D. Tex. Mar. 25, 2015); *In re Houston Regional Sports Network, L.P.*, No. 13-35998 (Bankr. S.D. Tex. Apr. 16, 2014); *In re Edge Petroleum Corp.*, No. 09-20644 (Bankr. S.D. Tex. Oct. 26, 2009); *In re Scotia Development LLC*, No. 07-20027-C-11 (Bankr. S.D. Tex. Mar. 15, 2007).

32. Accordingly, the Debtors respectfully submit that the terms of the modified indemnification provisions are reasonable and customary and should be approved in these chapter 11 cases.

**C. Employment of PJT Should Be Effective *Nunc Pro Tunc* to the Petition Date.**

33. The Debtors also believe that employment of PJT effective nunc pro tunc to the Petition Date is warranted under the circumstances of these chapter 11 cases. PJT has provided, and will continue to provide, valuable services to the Debtors regarding the contemplated restructuring transactions. *See, e.g., In re Arkansas Co.*, 798 F.2d 645, 648 (3d Cir. 1986) (“[T]he bankruptcy courts have the power to authorize retroactive employment of counsel and other professionals under their broad equity power.”) (collecting cases). Furthermore, Local Rule 2014-1(b)(1) provides that an application for approval of employment made within 30 days of the commencement of the provision of services is deemed contemporaneous. Nonetheless, the Debtors are requesting *nunc pro tunc* approval out of an abundance of caution.

**D. The Retention of PJT Is Critical to the Debtors' Success.**

34. The Debtors submit that the retention of PJT is in the best interests of all parties in interest in these chapter 11 cases. As noted above, PJT 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. Further, PJT is intimately familiar with the Debtors' businesses. Denial of the relief requested herein will deprive the Debtors of the assistance of uniquely qualified investment banking professionals. Indeed, if the Debtors were forced to engage a new investment banker who lacks a thorough understanding of the Debtors' businesses and the initiatives that have been implemented over the course of PJT's engagement, such change would mandate the commitment of significant resources to educate a replacement. As discussed above, based on services performed to date, PJT has been integral to preparing the Debtors for these chapter 11 cases.

35. Based on the foregoing, the Debtors submit that they have satisfied the requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules to support entry of an order authorizing the Debtors to retain and employ PJT in these chapter 11 cases on the terms described herein and in the Engagement Letter.

**NOTICE**

36. Notice of this Application has been provided by delivery to: (a) the Office of the United States Trustee for the Southern District of Texas; (b) the First Lien Agent; (c) counsel to the First Lien Agent; (d) the indenture trustee under the Debtors' Second Lien Notes; (e) counsel to the ad hoc committee of Second Lien Noteholders; (f) the indenture trustee under the Debtors' EGC Unsecured Notes; (g) the indenture trustee under the Debtors EPL Unsecured Notes; (h) the indenture trustee under the Convertible Notes; (i) proposed counsel to the Official Committee of Unsecured Creditors; (j) those persons who have formally appeared in these chapter 11 cases and

requested service pursuant to Bankruptcy Rule 2002; (k) the United States Securities and Exchange Commission; (l) the Internal Revenue Service; and (m) all other applicable government agencies to the extent required by the Bankruptcy Rules or Local Rules. In light of the nature of the relief requested in this Application, the Debtors submit that no further notice is necessary.

**NO PRIOR REQUEST**

37. No prior application for the relief requested herein has been made to this Court or any other court.

**PRAYER**

The Debtors respectfully request that the Court enter the Order, substantially in the form attached hereto as **Exhibit A**, and grant such other and further relief to which the Debtors may be justly entitled.

Dated: May 11, 2016  
Houston, Texas

By: /s/ Bruce W. Busmire  
Bruce W. Busmire  
Chief Financial Officer  
Energy XXI Ltd

**CERTIFICATE OF SERVICE**

I certify that on May 11, 2016, 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.

/s/ Bradley R. Foxman  
One of Counsel

**EXHIBIT A**

**Proposed Order**



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

<b>In re:</b>	§	<b>Case No. 16-16-31928</b>
	§	
<b>ENERGY XXI LTD, et al.,</b>	§	<b>(Chapter 11)</b>
	§	
<b>Debtors.<sup>1</sup></b>	§	<b>Jointly Administered</b>
	§	

**ORDER AUTHORIZING THE RETENTION AND EMPLOYMENT OF  
PJT PARTNERS LP AS INVESTMENT BANKER FOR THE DEBTORS  
AND DEBTORS IN POSSESSION *NUNC PRO TUNC* TO THE PETITION DATE**

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Upon the Application<sup>2</sup> filed by the above-referenced debtors and debtors in possession (collectively, the “*Debtors*”) for entry of an order (the “*Order*”) authorizing the retention and employment of PJT Partners LP (“*PJT*”) as investment banker for the Debtors, effective *nunc pro tunc* to the Petition Date, in accordance with the terms and conditions of that certain engagement letter, dated as of February 12, 2016, and requesting a waiver of the time-keeping requirements of the Complex Rules and the U.S. Trustee Guidelines, all as more fully set forth in the Application; and upon the *Laurinaitis Declaration* in support of the Application; and upon the *Kim-Rosen Declaration* in support of the Application; and the Court having jurisdiction over the matters raised in the Application pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that the Court

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<sup>1</sup> The Debtors in these chapter 11 cases and the last four digits of their respective federal tax identification numbers are: Anglo-Suisse Offshore Pipeline Partners, LLC (9562), Delaware EPL of Texas, LLC (9562), Energy Partners Ltd., LLC (9562), Energy XXI GOM, LLC (0027), Energy XXI Gulf Coast, Inc. (8595), Energy XXI Holdings, Inc. (1638), Energy XXI, Inc. (2108), Energy XXI Leasehold, LLC (8121), Energy XXI Ltd (9286), Energy XXI Natural Gas Holdings, Inc. (7517), Energy XXI Offshore Services, Inc. (4711), Energy XXI Onshore, LLC (0308), Energy XXI Pipeline, LLC (5863), Energy XXI Pipeline II, LLC (8238), Energy XXI Services, LLC (3999), Energy XXI Texas Onshore, LLC (0294), Energy XXI USA, Inc. (8552), EPL of Louisiana, L.L.C. (9562), EPL Oil & Gas, Inc. (9562), EPL Pioneer Houston, Inc. (9749), EPL Pipeline, L.L.C. (1048), M21K, LLC (3978), MS Onshore, LLC (8573), Natural Gas Acquisition Company I, LLC (0956), Nighthawk, L.L.C. (9562), and Soileau Catering, LLC (2767). The location of the Debtors’ U.S. corporate headquarters and the Debtors’ service address is: 1021 Main Street, Suite 2626, Houston, Texas 77002.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Application.

may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Application in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that the relief requested in the Application is in the best interests of the Debtors and their respective estates, creditors, and equity security holders; and the Court having found that proper and adequate notice of the Application and hearing thereon has been given and that no other or further notice is necessary; and the Court being satisfied based on the representations made in the Application, the Laurinaitis Declaration, and the Kim-Rosen Declaration that (a) PJT does not hold or represent an interest adverse to the Debtors' estates and (b) PJT is a "disinterested person" as defined in section 101(14) of the Bankruptcy Code as required by section 327(a) of the Bankruptcy Code, Bankruptcy Rule 2014(a); and after due deliberation and sufficient cause appearing therefor; and the Court having found that good and sufficient cause exists for the granting of the relief requested in the Application after having given due deliberation upon the Application and all of the proceedings had before the Court in connection with the Application, it is **HEREBY ORDERED THAT:**

1. The Application is **GRANTED** as set forth herein.
2. The Debtors are authorized to retain and employ PJT as their investment banker in these chapter 11 cases, pursuant to the terms and conditions set forth in the Application, this Order, and the Engagement Letter attached hereto as **Exhibit 1**, *nunc pro tunc* to the Petition Date.
3. Except to the extent set forth herein, the Engagement Letter (together with all annexes thereto), including the Fee Structure, is approved pursuant to sections 327(a) and 328(a) of the Bankruptcy Code, and the Debtors are authorized and directed to perform their payment,

reimbursement, contribution and indemnification obligations and their non-monetary obligations in accordance with the terms and conditions, and at the times specified, in the Engagement Letter. Subject to Paragraph [6] of this Order, all compensation, reimbursement of expenses, indemnification, contribution and reimbursement to PJT and any Indemnified Party (as defined in the Engagement Letter) under the Engagement Letter shall be subject to review only pursuant to the standards set forth in section 328(a) of the Bankruptcy Code, and shall not be subject to any other standard of review including, but not limited to, that set forth in section 330 of the Bankruptcy Code.

4. The Debtors are authorized to pay PJT's fees and to reimburse PJT for its reasonable costs and expenses as provided in the Engagement Letter. In the event that PJT seeks reimbursement from the Debtors for attorneys' fees and expenses pursuant to the Application and the Engagement Letter, the invoices and supporting time records for the attorneys' fees and expenses shall be included in PJT's own applications, both interim and final, and these invoices and time records shall be subject to the U.S. Trustee Guidelines and the approval of the Bankruptcy Court pursuant to sections 330 and 331 of the Bankruptcy Code without regard to whether such attorneys have been retained under section 327 of the Bankruptcy Code, and without regard to whether such attorneys' services satisfy section 330(a)(3)(C) of the Bankruptcy Code.

5. PJT shall file interim and final fee applications for the allowance of compensation for services rendered and reimbursement of expenses incurred in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any applicable orders of the Court; *provided, however*, that the requirements of the Bankruptcy Code, the Bankruptcy Rules and the Complex Rules are hereby modified such that PJT's restructuring

professionals shall be required to maintain summary records in half-hour increments describing each professional's tasks on a daily basis in support of each fee application, including reasonably detailed descriptions of those services and the individuals who provided those services, and will present such records to the Court.

6. PJT shall be compensated in accordance with the terms of the Engagement Letter and, in particular, all of PJT's fees and expenses in these chapter 11 cases are hereby approved pursuant to section 328(a) of the Bankruptcy Code. Notwithstanding anything to the contrary herein, the fees and expenses payable to PJT pursuant to the Engagement Letter shall be subject to review only pursuant to the standards set forth in section 328(a) of the Bankruptcy Code and shall not be subject to the standard of review set forth in section 330 of the Bankruptcy Code, except by the U.S. Trustee. This Order and the record relating to the Court's consideration of the Application shall not prejudice or otherwise affect the rights of the U.S. Trustee to challenge the reasonableness of PJT's compensation and expense reimbursements under sections 330 and 331 of the Bankruptcy Code. Accordingly, nothing in this Order or the record shall constitute a finding of fact or conclusion of law binding on the U.S. Trustee, on appeal or otherwise, with respect to the reasonableness of PJT's compensation.

7. PJT shall use its best efforts to avoid any duplication of services provided by any of the Debtors' other retained professionals in these Chapter 11 Cases.

8. To the extent that there may be any inconsistency between the terms of the Application, the Engagement Letter, and this Order, the terms of this Order shall govern.

9. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application.

10. The requirements of Bankruptcy Rule 6004(a) are waived.

11. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon entry of this Order.

12. The Court retains jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: \_\_\_\_, 2016  
Houston, Texas

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**UNITED STATES BANKRUPTCY JUDGE**

**EXHIBIT 1**

**Engagement Letter**

PJT Partners



February 12, 2016

Mark Kelly  
Partner  
Vinson & Elkins LLP  
1001 Fannin Street  
Suite 2500  
Houston, TX 77002-6760

Dear Mr. Schiller:

This letter confirms the understanding and agreement (the "**Agreement**") between PJT Partners LP ("**PJT Partners**") and Vinson & Elkins LLP ("**Counsel**"), as counsel to Energy XXI LTD ("**Energy XXI**" and together with any affiliates and subsidiaries, the "**Company**") regarding the retention of PJT Partners on an exclusive basis by Counsel for the benefit of the Company effective as of February 3, 2016 (the "**Effective Date**") as its investment banker for the purposes set forth herein.

Under this Agreement, PJT Partners will provide investment banking services to Counsel, for the benefit of the Company, in connection with a possible restructuring of certain liabilities of the Company and the sale, merger or other disposition of all or a portion of the Company or its assets (a "**Transaction**"), and will assist Counsel, for the benefit of the Company, in analyzing, structuring, negotiating and effecting the Restructuring or Transaction pursuant to the terms and conditions of this Agreement. As used in this Agreement, the term "**Restructuring**" shall mean, collectively, (i) any restructuring, reorganization (whether or not pursuant to chapter 11 of the United States Bankruptcy Code ("**Chapter 11**")) and/or recapitalization of the Company and/or sale or other disposition of substantially all of the assets 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 preferred stock (collectively, the "**Obligations**"), and/or (ii) any complete or partial repurchase, refinancing, extension or repayment by the Company of any of the Obligations.

The investment banking services to be rendered by PJT Partners will include the following:

- (a) assist in the evaluation of the Company's businesses and prospects;
- (b) assist in the development of the Company's long-term business plan and related financial projections;
- (c) assist in the development of financial data and presentations to the Company's Board of Directors, various creditors and other third parties;

- (d) analyze the Company's financial liquidity and evaluate alternatives to improve such liquidity;
- (e) analyze various restructuring scenarios and the potential impact of these scenarios on the recoveries of those stakeholders impacted by the Restructuring;
- (f) provide strategic advice with regard to restructuring or refinancing the Company's Obligations;
- (g) evaluate the Company's debt capacity and alternative capital structures;
- (h) participate in negotiations among the Company and its creditors, suppliers, lessors and other interested parties;
- (i) value securities offered by the Company in connection with a Restructuring;
- (j) advise the Company and negotiate with lenders with respect to potential waivers or amendments of various credit facilities;
- (k) assist in arranging financing for the Company, as requested;
- (l) provide expert witness testimony concerning any of the subjects encompassed by the other investment banking services;
- (m) assist the Company in preparing marketing materials in conjunction with a possible Transaction;
- (n) assist the Company in identifying potential buyers or parties in interest to a Transaction and assist in the due diligence process;
- (o) assist and advise the Company concerning the terms, conditions and impact of any proposed Transaction; and
- (p) provide such other advisory services as are customarily provided in connection with the analysis and negotiation of a Restructuring or a Transaction, as requested and mutually agreed.

Notwithstanding anything contained in this Agreement to the contrary, PJT Partners shall have no responsibility for designing or implementing any initiatives to improve the Company's operations, profitability, cash management or liquidity. PJT Partners 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. PJT Partners is retained under this Agreement solely to provide advice regarding a Restructuring or a Transaction, and is not being retained to provide "crisis management" or any legal, tax, accounting or actuarial advice. It is understood and agreed that nothing contained herein shall constitute a commitment, express or implied, on the part of PJT Partners to underwrite, purchase or place any securities, in a financing or otherwise.

Counsel 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 the PJT Partner's engagement hereunder. PJT Partners is being retained by Counsel to provide financial advice to assist Counsel in Counsel's provision of legal services to the Company and will report to and take direction from Counsel notwithstanding that PJT Partner's fees and expenses will be paid by the Company. PJT Partners acknowledges that Counsel has requested that PJT Partners bill the Company directly and that the Company pay PJT Partners directly for any amounts owed hereunder, and PJT Partners has agreed to such request. PJT Partners further acknowledges that (a) in connection with the foregoing, the Company has executed and delivered to PJT Partners this Agreement and the Indemnification Agreement dated as of the date hereof and attached hereto as Attachment A, pursuant to which the



Company is obligated to pay all amounts owed to PJT Partners hereunder and thereunder, and (b) for the avoidance of doubt, notwithstanding anything herein to the contrary, Counsel shall not be responsible for any such amounts and PJT Partners shall look only to the Company for payment hereunder.

The Company will pay the following fees to PJT Partners for its investment banking services:

- (i) a monthly advisory fee (the "**Monthly Fee**") in the amount of \$175,000, per month, in cash, with the first Monthly Fee payable upon the execution of this Agreement by both parties and additional installments of such Monthly Fee payable in advance on each monthly anniversary of the Effective Date;
- (ii) a capital raising fee (the "**Capital Raising Fee**") for any financing arranged by PJT Partners, at the Company's request, earned and payable upon closing of the applicable capital raising transaction. If access to the financing is limited by orders of the bankruptcy court, a proportionate fee shall be payable with respect to each available commitment (irrespective of availability blocks, borrowing base, or other similar restrictions). The Capital Raising Fee will be calculated as 1.0% of the total issuance size for senior debt financing, 3.0% of the total issuance size for junior debt financing, and 5.0% of the issuance amount for equity financing. Notwithstanding the foregoing, the Capital Raising Fee shall in no event exceed \$25 million. Thirty-three and 1/3 percent (33.33%) of any Capital Raising Fee shall be credited (without duplication) to any Restructuring Fee or Transaction Fee. If financing arranged by PJT Partners (and use of proceeds generated from such financing) is the only Restructuring undertaken, PJT Partners, in its sole discretion, may choose to be paid either the Capital Raising Fee or the Restructuring fee, but not both;
- (iii) an additional fee (the "**Restructuring Fee**") equal to \$10,500,000. Except as otherwise provided herein, a Restructuring shall be deemed to have been consummated upon (a) the binding execution and effectiveness of all necessary waivers, consents, amendments or restructuring agreements between the Company and its creditors involving the compromise of the face amount of such Obligations or the conversion of all or part of such Obligations into alternative securities, including equity, in the case of an out-of-court restructuring; or b) the confirmation and consummation of a Plan of Reorganization pursuant to an order of the Bankruptcy Court, in the case of an in-court restructuring. The Restructuring Fee will be:
  - (l) earned on the earliest of:
    - (w) consummation of the Restructuring,
    - (x) in the event the Company attempts to implement the Restructuring in whole or in part by means of an exchange offer, then upon consummation of the exchange offer,
    - (y) in the event that the Company attempts to implement the Restructuring by means of a pre-negotiated plan of reorganization under Chapter 11, the receipt of sufficient commitments, agreements or other expressions of intention to accept such plan that the Company elects to file a Chapter 11 case and therein represent to the Bankruptcy Court hearing such case that the Company will seek to confirm a plan based on the pre-negotiated plan, and

- (z) in the event that the Company solicits acceptances for a prepackaged plan of reorganization under Chapter 11 to implement the Restructuring, then on the date established as the voting deadline for such acceptances or rejections, provided that at least one class of creditors impaired by such plan has accepted such plan and the Company elects to pursue confirmation of the prepackaged plan and
- (II) payable, in immediately available funds, on the earliest of:
  - (A) consummation of the Restructuring,
  - (B) consummation of the exchange offer,
  - (C) the first business day immediately following (I) in the case of clause "(y)" above, 50% upon the filing with the Bankruptcy Court of such plan of reorganization based on the prenegotiated plan described in clause "(y)" above, and 50% upon consummation of the Restructuring, and (II) in the case of clause "(z)" above, 50% upon the deadline for delivery of acceptances or rejections of a prepackaged plan of reorganization and 50% upon consummation of the Restructuring, provided at least one class of creditors impaired by such plan has accepted such plan and the Company elects to pursue confirmation of the prepackaged plan, and
  - (D) two years after the date on which any such Restructuring Fee is earned.

Notwithstanding the foregoing, (a) a Restructuring specifically shall be deemed to exclude any assumption at face value of Obligations in connection with the sale or disposition of any subsidiaries, joint ventures, assets or lines of business of the Company and (b) the restructured Obligations shall exclude any Obligations in respect of which a Restructuring Fee has previously been paid ;

- (iv) upon the consummation of a Transaction, a Transaction fee (the "**Transaction Fee**") payable in cash at the closing of such Transaction directly out of the gross proceeds of the Transaction calculated as 1% of the Consideration.

Upon the consummation of a Transaction in which all or substantially all assets of the Company are sold, PJT Partners, in its sole discretion, shall be entitled to either the Transaction Fee or the Restructuring Fee, but not both, and in no event shall the Transaction Fee be greater than the Restructuring Fee.

In this Agreement, "**Consideration**" means the gross value of all cash, securities and other properties paid or payable, directly or indirectly, in one transaction or in a series or combination of transactions, in connection with the Transaction or a transaction related thereto (including, without limitation, amounts paid (A) pursuant to covenants not to compete or similar arrangements and (B) to holders of any warrants, stock purchase rights, convertible securities or similar rights and to holders of any options or stock appreciation rights, whether or not vested). Consideration shall also include (i) (I) in the case of the sale, exchange or purchase of the Company's equity securities the principal amount of any indebtedness for borrowed money, preferred stock obligations, any pension liabilities, capital leases, guarantees and any other long-term liabilities as set forth on the most recent consolidated balance sheet of the Company prior to the consummation of such sale, exchange or purchase or (II) in the case of a sale or disposition of assets by the Company the principal amount of any indebtedness

for borrowed money, preferred stock obligations, any pension liabilities, capital leases, guarantees and any other long-term liabilities indirectly or directly assumed or acquired, and (ii) any indebtedness for borrowed money, preferred stock obligations, any pension liabilities, capital leases, guarantees and any other long-term liabilities that are or otherwise repaid or retired, in connection with or in anticipation of the Transaction. Consideration shall also include the aggregate amount of any extraordinary dividend or distribution made by the Company from the date hereof until the Closing of the Transaction. Consideration shall include all amounts paid into escrow and all contingent payments payable in connection with the Transaction, with fees on amounts paid into escrow to be payable upon the establishment of such escrow and fees on contingent payments to be payable when such contingent payments are made. If the Consideration to be paid is computed in any foreign currency, the value of such foreign currency shall, for purposes hereof, be converted into U.S. dollars at the prevailing exchange rate on the date or dates on which such Consideration is paid.

In this Agreement, the value of any securities (whether debt or equity) or other property paid or payable (including, without limitation, any indebtedness repaid or retired) as part of the Consideration shall be determined as follows: (1) the value of securities that are freely tradable in an established public market will be determined on the basis of the last market closing price prior to the public announcement of the Transaction; and (2) the value of securities that are not freely tradable or have no established public market or, if the Consideration utilized consists of property other than securities, the value of such other property shall be the fair market value thereof as mutually agreed by the parties hereto; and

- (v) reimbursement of all reasonable and documented out-of-pocket expenses incurred during this engagement, including, but not limited to, travel and lodging, direct identifiable data processing, document production, publishing services and communication charges, courier services, working meals, reasonable fees and expenses of PJT Partners' counsel (not to exceed \$100,000 except as provided in the attached indemnification agreement without the Company's prior consent not to be unreasonably withheld and without the requirement that the retention of such counsel be approved by the court in any Bankruptcy Case) and other necessary expenditures, payable upon rendition of invoices setting forth in reasonable detail the nature and amount of such expenses. In connection therewith the Company shall pay PJT Partners on the Effective Date and maintain thereafter a \$100,000 expense advance for which PJT Partners shall account upon termination of this Agreement.

In the event that the Company is or becomes a debtor under Chapter 11, the Company shall use its best efforts to promptly apply to the bankruptcy court having jurisdiction over the Chapter 11 case or cases (the "**Bankruptcy Court**") for the approval pursuant to sections 327 and 328 of the Bankruptcy Code of (A) this Agreement, including the attached indemnification agreement, and (B) PJT Partners' retention by the Company under the terms of this Agreement and subject to the standard of review provided 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 Company shall supply PJT Partners with a draft of such application and any proposed order authorizing PJT Partners' retention sufficiently in advance of the filing of such application and proposed order to enable PJT Partners and its counsel to review and comment thereon.

PJT Partners shall have no obligation to provide any services under this Agreement in the event that the Company becomes a debtor under Chapter 11 unless PJT Partners' retention under the

terms of this Agreement is approved under section 328(a) of the Bankruptcy Code by a final order entered by the Bankruptcy Court within 45 days of the filing of the retention application that is no longer subject to appeal, rehearing, reconsideration or petition for certiorari, and which order is acceptable to PJT Partners in all respects. If neither the Company nor PJT Partners have obtained such an order within such 45-day period, or such order is later reversed, vacated or set aside for any reason, PJT Partners may terminate this Agreement.

The Company will use its commercially reasonable efforts to ensure that PJT Partners' post-petition compensation, expense reimbursements and payment received pursuant to the provisions of Attachment A shall be entitled to priority as expenses of administration under sections 503(b)(1)(A) and 507(a)(2) of the Bankruptcy Code, and shall be entitled to the benefits of any "carve-outs" for professional fees and expenses in effect pursuant to one or more cash collateral and/or financing orders entered by the Bankruptcy Court. Following entry of an order authorizing PJT Partners' retention, the Company will assist PJT Partners in preparing, filing and serving fee statements, interim fee applications, and a final fee application. The Company will support PJT Partners' fee applications that are consistent with this Agreement in papers filed with the Bankruptcy Court and during any Bankruptcy Court hearing. The Company will pay promptly the fees and expenses of PJT Partners, in each case, which are both (i) owed pursuant to this Agreement and (ii) approved by the Bankruptcy Court in accordance with the orders of the Bankruptcy Court.

PJT Partners acknowledges that in the event that the Bankruptcy Court approves its retention by the Company, PJT Partners' fees and expenses shall be subject to the jurisdiction and approval of the Bankruptcy Court under section 328(a) of Chapter 11 of the Bankruptcy Code and any applicable fee and expense guideline orders; provided, however, that PJT Partners shall not be required to maintain time records and, provided further, that PJT Partners shall not be required to maintain receipts for expenses in amounts less than \$75. In the event that the Company becomes a debtor under Chapter 11 and PJT Partners' engagement hereunder is approved by the Bankruptcy Court, the Company shall pay all fees and expenses of PJT Partners hereunder as promptly as practicable in accordance with the terms hereof and any retention order. Prior to commencing a Chapter 11 case, the Company shall pay all invoiced amounts to PJT Partners in immediately available funds by wire transfer.

With respect to PJT Partners' retention under sections 327 and 328 of the Bankruptcy Code, the Company acknowledges and agrees that PJT Partners' restructuring expertise as well as its capital markets knowledge, financing skills and mergers and acquisitions capabilities, some or all of which may be required by the Company during the term of PJT Partners' engagement hereunder, were important factors in determining the amount of the various fees set forth herein, and that the ultimate benefit to the Company of PJT Partners' services hereunder could not be measured merely by reference to the number of hours to be expended by PJT Partners' professionals in the performance of such services. The Company also acknowledges and agrees that the various fees set forth herein have been agreed upon by the parties in anticipation that a substantial commitment of professional time and effort will be required of PJT Partners and its professionals hereunder over the life of the engagement, and in light of the fact that such commitment may foreclose other opportunities for PJT Partners and that the actual time and commitment required of PJT Partners and its professionals to perform its services hereunder may vary substantially from week to week or month to month, creating "peak load" issues for the firm. In addition, given the numerous issues which PJT Partners may be required to address in the performance of its services hereunder, PJT Partners' commitment to the variable level of time and effort necessary to address all such issues as they arise, and the market prices for PJT Partners' services for engagements of this nature in an out-of-court context, the Company agrees that the fee arrangements hereunder (including the Monthly Fee,



Capital Raising Fee, Restructuring Fee, and Transaction Fee) are reasonable under the standards set forth in 11 U.S.C. Section 328(a).

The advisory services and compensation arrangement set forth in this Agreement do not encompass other investment banking services or transactions that may be undertaken by PJT Partners at the request of Counsel or the Company, including the arranging of debt or equity capital (except as provided above), issuing fairness opinions or any other specific services not set forth in this Agreement. The terms and conditions of any such investment banking services, including compensation arrangements, would be set forth in a separate written agreement between PJT Partners and the appropriate party.

Except as contemplated by the terms hereof or as required by applicable law, regulation or legal process, for a period of one year from the date hereof, PJT Partners shall keep confidential all material non-public information provided to it by or at the request of Counsel or the Company, and shall not disclose such information to any third party or to any of its employees or advisors except to those persons who have a need to know such information in connection with PJT Partners' performance of its responsibilities hereunder and who are advised of the confidential nature of the information and who agree to keep such information confidential. For the avoidance of doubt, PJT Partners may provide nonpublic Information (as defined below) to prospective transaction parties as contemplated by this Agreement, subject to such parties executing appropriate confidentiality agreements.

The Company will furnish or cause to be furnished to PJT Partners such information as PJT Partners believes appropriate to its assignment (all such information so furnished being the "Information"). The Company further agrees that it will provide PJT Partners with reasonable access to the Company and its directors, officers, employees, accountants, counsel and other advisers. To the best of the Company's knowledge, the Information will be true and correct in all material respects and will not contain any material misstatement of fact or omit to state any material fact necessary to make the statements contained therein not misleading. During the term of the engagement, the Company shall inform PJT Partners promptly upon becoming aware of any material developments relating to the Company which the Company reasonably expects may impact on the proposed Transaction or if the Company becomes aware that any Information provided to PJT Partners is, or has become, untrue, unfair, inaccurate or misleading in any way. Furthermore, the Company warrants and undertakes to PJT Partners in respect of all Information supplied by the Company, that the Company has not obtained any such Information other than by lawful means and that disclosure to PJT Partners will not breach any agreement or duty of confidentiality owed to third parties. The Company recognizes and confirms that PJT Partners (a) will use and rely primarily on the Information and on information available from generally recognized public sources in performing the services contemplated by this Agreement without having independently verified the same, (b) does not assume responsibility for the accuracy or completeness of the Information and such other information, (c) is entitled to rely upon the Information without independent verification, and (d) will not make an appraisal of any assets in connection with its assignment.

In the event that the Information belonging to the Company is stored electronically on PJT Partners' computer systems, PJT Partners shall not be liable for any damages resulting from unauthorized access, misuse or alteration of such information by persons not acting on its behalf, provided that PJT Partners exercises the same degree of care in protecting the confidentiality of, and in preventing unauthorized access to, the Company's information that it exercises with regard to its own most sensitive proprietary information.

Except as required by applicable law, any advice to be provided by PJT Partners under this Agreement shall not be disclosed publicly or made available to third parties (other than the Company's other professional advisors or, if appropriate in the Company's judgment, in any

filings in a Chapter 11 proceeding) without the prior consent of PJT Partners. In the event disclosure is required by subpoena or court order, the Company will provide PJT Partners with reasonable advance notice and permit PJT Partners to comments on the form and content of the disclosure. All services, advice and information and reports provided by PJT Partners to Counsel for the benefit of the Company in connection with this assignment shall be for the sole benefit of Counsel and the Company and shall not be relied upon by any other person.

PJT Partners acknowledges and agrees that the work product produced by PJT Partners pursuant to this Agreement is for the purpose of facilitating the rendering by Counsel of legal advice to the Company and constitutes attorney work product, and that any communication to Counsel, including, without limitation, any correspondence, analyses, reports and related materials that PJT Partners prepares, constitutes confidential and privileged communications and PJT Partners will not disclose the same to any other person except as requested by Counsel or as required by applicable law. The Company and Counsel further acknowledge and agree that PJT Partners has been retained to act solely for Counsel and does not in such capacity act as a fiduciary for the Company or any other person. PJT Partners shall act as an independent contractor and any duties of PJT Partners arising out of its engagement pursuant to this Agreement shall be owed solely to Counsel.

The Company acknowledges and agrees that PJT Partners will provide its investment banking services exclusively to Counsel for the benefit of the Company and the members of the Board of Directors and senior management of the Company and not to the Company's shareholders or other constituencies. The Board of Directors and senior management will make all decisions for the Company regarding whether and how the Company will pursue a Restructuring or Transaction and on what terms and by what process. In so doing, the Board of Directors and senior management will also obtain the advice of the Company's legal, tax and other business advisors and consider such other factors which they consider appropriate before exercising their independent business judgment in respect of a Restructuring or Transaction. The Company further acknowledges and agrees that PJT Partners has been retained to act solely as investment banker to Counsel for the benefit of the Company and does not in such capacity act as a fiduciary for the Company or any other person. PJT Partners shall act as an independent contractor and any duties of PJT Partners arising out of its engagement pursuant to this Agreement shall be owed solely to Counsel for the benefit of the Company.

In consideration of PJT Partners' agreement to provide investment banking services to Counsel for the benefit of the Company in connection with this Agreement, it is agreed that the Company will indemnify PJT Partners and its agents, representatives, members and employees. A copy of our standard form of indemnification agreement is attached to this Agreement as Attachment A. The indemnification agreement is an integral part of this Agreement and the terms thereof are incorporated by reference herein. PJT Partners acknowledges that Counsel has no obligation to indemnify PJT Partners.

PJT Partners' engagement hereunder may be terminated upon 30 days' written notice without cause by any of the Company, Counsel, or PJT Partners; termination for cause by any party will occur forthwith. Notwithstanding the foregoing, (a) the provisions relating to the payment of fees and expenses accrued through the date of termination, the status of PJT Partners as an independent contractor, the limitation as to whom PJT Partners shall owe any duties, and any other provision of this Agreement that, by its terms, survives termination, will survive any such termination, (b) any such termination shall not affect the Company's obligations under the indemnification agreement attached as Attachment A or PJT Partners' confidentiality obligations hereunder. Without limiting the foregoing, PJT Partners shall be entitled to the Restructuring Fee, Capital Raising Fee or Transaction Fee in the event that (i) PJT Partners did not terminate the engagement hereunder without cause and (ii) at any time prior to the expiration of 12

months following the termination of this Agreement a definitive agreement with respect to a Restructuring, Capital Raising, or a Transaction, respectively, is executed and a Restructuring, Capital Raising, or Transaction, respectively, is thereafter consummated. Notwithstanding anything to the contrary herein, upon consummation of a Restructuring and the payment of the applicable fees hereunder, the engagement of PJT Partners shall terminate and PJT Partners shall not be entitled to any fees thereafter.

The Company represents that neither it nor any of its affiliates under common control, nor, to the knowledge of the Company, any of their respective directors or officers, is an individual or entity ("**Person**") that is, or is owned or controlled by a Person that is: (i) a Person with whom dealings are prohibited or restricted under U.S. economic sanctions (including those administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control and the U.S. Department of State) or under sanctions imposed by the United Nations Security Council, Canada, the European Union, or member countries of the European Union ; (ii) a Person subject to anti-money laundering prohibitions, restrictions, or sanctions imposed by the United States, Canada, the European Union, member countries of the European Union, or any other relevant jurisdiction; or (iii) to the knowledge of the Company, not in compliance in all material respects with all applicable anti-money laundering laws and Sanctions laws.

The Company should be aware that PJT Partners and/or its affiliates may be providing or may in the future provide financial or other services to other parties with conflicting interests. Consistent with PJT Partners' policy to hold in confidence the affairs of its clients, PJT Partners will not use confidential information obtained from Counsel or the Company except in connection with PJT Partners' services to, and PJT Partners' relationship with, Counsel for the benefit of the Company, nor will PJT Partners use on Counsel's or the Company's behalf or have any obligation to disclose or otherwise have any liability with respect to any confidential information obtained from any other client. Notwithstanding anything to the contrary provided elsewhere herein, Counsel and the Company expressly acknowledge and agree that none of the provisions of this Agreement shall in any way restrict PJT Partners from being engaged or mandated by any third party, or otherwise participating or assisting with any transaction involving any other party.

This Agreement (including the attached indemnification agreement) embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. If any provision of this Agreement is determined to be invalid or unenforceable in any respect, such determination will not affect or impair such provision or the remaining provisions of this Agreement in any other respect, which will remain in full force and effect. No waiver, amendment or other modification of this Agreement shall be effective unless in writing and signed by each party to be bound thereby. This Agreement and any dispute or claim that may arise out of this Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed in and to be performed in that state.

The Company and Counsel hereby agree that any action or proceeding brought by the Company or Counsel against PJT Partners based hereon or arising out of PJT Partners' engagement hereunder, shall be brought and maintained by the Company or Counsel exclusively in the courts 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; provided, if the Company commences a Chapter 11 case, all legal proceedings pertaining to this engagement arising after such case is commenced may be brought in the Bankruptcy Court handling such case. The Company and Counsel irrevocably submit to the jurisdiction of the courts of the State of New York located in the City and County of New York and the United States District Court for the Southern District of New York and appellate courts from any thereof for the purpose of any

action or proceeding based hereon or arising out of PJT Partners' engagement hereunder and irrevocably agrees to be bound by any judgment rendered thereby in connection with such action or proceedings. The Company and Counsel hereby irrevocably waive, to the fullest extent permitted by law, any objection it may have or hereafter may have to the laying of venue of any such action or proceeding brought in any such court referred to above and any claim that such action or proceeding has been brought in an inconvenient forum and agrees not to plead or claim the same.

This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. A facsimile of a signed copy of this Agreement or other copy made by reliable mechanical means may be relied upon as an original.



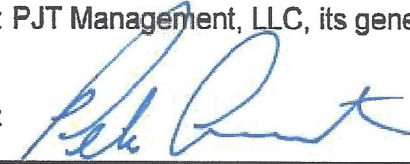
Please confirm that the foregoing correctly sets forth our agreement by signing and returning to PJT Partners the duplicate copy of this Agreement and the indemnification agreement attached hereto as Attachment A.

Very truly yours,

PJT PARTNERS LP

By: PJT Management, LLC, its general partner

By:



Name: Peter Laurinaitis  
Title: Partner

Accepted and Agreed to as  
of the date first written above:


VINSON & ELKINS LLP

By:

Name: \_\_\_\_\_  
Title: Partner

ENERGY XXI LTD

By:

  
Name: John D. Schiller, Jr.  
Title: President and CEO

Please confirm that the foregoing correctly sets forth our agreement by signing and returning to PJT Partners the duplicate copy of this Agreement and the indemnification agreement attached hereto as Attachment A.

Very truly yours,

PJT PARTNERS LP

By: PJT Management, LLC, its general partner

By: 

\_\_\_\_\_  
Name: Peter Laurinaitis

Title: Partner

Accepted and Agreed to as  
of the date first written above:

VINSON & ELKINS LLP

By: 

\_\_\_\_\_  
Name: T. MARK KELLY

Title: Partner

ENERGY XXI LTD

By: \_\_\_\_\_

Name: John D. Schiller, Jr.

Title: President and CEO

ATTACHMENT A

February 12, 2016

PJT Partners LP  
280 Park Avenue  
New York, NY 10017

INDEMNIFICATION AGREEMENT

Ladies and Gentlemen:

This letter will confirm that PJT Partners LP ("**PJT Partners**") has been engaged to advise and assist Vinson & Elkins LLP ("**Counsel**"), as counsel to Energy XXI LTD ("**Energy XXI**" and together with any affiliates and subsidiaries, the "**Company**") in connection with the matters referred to in the letter of agreement, dated as of February 12, 2016, by and between PJT Partners, Counsel, and the Company (the "**Engagement Letter**"). In connection with the engagement of PJT Partners to advise and assist Counsel for the benefit of the Company as described in the attached Engagement Letter, in the event that PJT Partners becomes involved in any capacity in any claim, suit, action, proceeding, investigation or inquiry (including, without limitation, any shareholder or derivative action or arbitration proceeding) (collectively, a "**Proceeding**") in connection with any matter in any way relating to or referred to in the Engagement Letter or arising out of the matters contemplated by the Engagement Letter, including, without limitation, related services and activities prior to the date of the Engagement Letter, the Company agrees to indemnify, defend and hold PJT Partners and its affiliates, and their respective current and former directors, officers, agents, employees, attorneys and other representatives and the successors and assigns of all of the foregoing persons (each an "**Indemnified Party**") harmless to the fullest extent permitted by law, from and against any losses, claims, damages, fines, penalties, liabilities and expenses ("**Losses**") in connection with any matter in any way relating to or referred to in the Engagement Letter or arising out of the matters contemplated by the Engagement Letter, including, without limitation, related services and activities prior to the date of the Engagement Letter, except to the extent that it shall be determined by a court of competent jurisdiction in a judgment that has become final in that it is no longer subject to appeal or other review that such Losses resulted solely from the gross negligence, bad faith or willful misconduct of such Indemnified Party. In addition, in the event that any Indemnified Party becomes involved in any capacity in any Proceeding (regardless of whether or not such or any Indemnified Party is a party to or the subject of such Proceeding) in connection with any matter in any way relating to or referred to in the Engagement Letter or arising out of the matters contemplated by the Engagement Letter (including, without limitation, in enforcing the Engagement Letter), the Company will reimburse such Indemnified Party for its legal and other expenses (including the cost of any investigation and preparation) as such expenses are incurred by such Indemnified Party in connection therewith; provided, if it shall be determined by a court of competent jurisdiction in a judgment that has become final in that it is no longer subject to appeal or other review that Losses resulted solely from the gross negligence, bad faith or willful misconduct of such Indemnified Party, such Indemnified Party shall return to the Company such reimbursed amounts.

If such indemnification were not to be available due to a finding that the applicable Losses resulted solely from the gross negligence, bad faith or willful misconduct of any Indemnified Party, the Company agrees to contribute to the Losses involved in the proportion appropriate to reflect the relative benefits received or sought to be received by the Company and its security holders and affiliates and other constituencies, on the one hand, and the Indemnified Party, on the other hand, in connection with the matters contemplated by the Engagement Letter, or, if such allocation is determined by a court or arbitral tribunal to be unavailable, in such proportion as is appropriate to reflect other equitable considerations such as the relative fault of the Company or its security holders and affiliates or other constituencies, on the one hand, and of the Indemnified Parties, on the other hand; provided, however, that, to the extent permitted by applicable law, the Indemnified Parties shall not be responsible for amounts which in the aggregate are in excess of the amount of all fees actually received by PJT Partners from the Company in connection with the engagement. The Company agrees that for the purposes of this paragraph the relative benefits received, or sought to be received, by the Company and its security holders and affiliates and other constituencies, on the one hand, and the Indemnified Party, on the other hand, in connection with the matters contemplated by the Engagement Letter shall be deemed to be in the same proportion that the total value received or paid or contemplated to be received or paid by the Company or its security holders or affiliates and other constituencies, as the case may be, as a result of or in connection with the matters (whether or not consummated) for which PJT Partners has been retained to perform financial services bears to the fees paid to PJT Partners under the Engagement Letter; provided, that in no event shall the Company contribute less than the amount necessary to assure that the Indemnified Parties, taken together, are not liable for Losses in excess of the amount of fees actually received by PJT Partners pursuant to the Engagement Letter (exclusive of amounts paid for reimbursement of expenses under the Engagement Letter).

The Company agrees that no Indemnified Party shall have any liability to the Company or any person asserting claims on behalf of or in right of the Company in connection with any matter in any way relating to or referred to in the Engagement Letter or arising out of the matters contemplated by the Engagement Letter, including, without limitation, related services and activities prior to the date of the Engagement Letter, except to the extent that it shall be determined by a court of competent jurisdiction in a judgment that has become final in that it is no longer subject to appeal or other review that any Losses incurred by the Company resulted solely from the gross negligence, bad faith or willful misconduct of such Indemnified Party.

If any Proceeding shall be brought, threatened or asserted against an Indemnified Party in respect of which indemnity or contribution may be sought against the Company, PJT Partners shall promptly notify the Company in writing; provided that failure to so notify the Company shall not relieve the Company from any liability which the Company may have on account of this indemnity or otherwise, except to the extent the Company shall have been materially prejudiced by such failure. The Company, upon the written request of such Indemnified Party, shall or, upon written notice to such Indemnified Party, may elect to, assume the defense of such Proceeding, at the Company's own expense, with counsel reasonably satisfactory to such Indemnified Party. Such Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (a) the Company has agreed in writing to pay such fees and expenses, (b) the Company has failed to assume the defense, pursue the defense reasonably diligently or to employ counsel in a timely manner, (c) outside counsel to such Indemnified Party has advised such Indemnified Party that in such Proceeding there is an actual or potential conflict of interest or a conflict on any material issue between the Company's position and the position of such Indemnified Party or (d) the named parties to any such Proceeding (including any impleaded parties) include such Indemnified Party and the Company, and outside counsel to such Indemnified Party has advised such

Indemnified Party that there may be one or more legal defenses available to such Indemnified Party which are different from or in addition to those available to the Company.

The Company agrees that, without PJT Partners' prior written consent (which shall not be unreasonably withheld, conditioned or delayed), it will not settle, compromise or consent to the entry of any judgment in any pending or threatened Proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not an Indemnified Party is an actual or potential party to such Proceeding), unless such settlement, compromise or consent (a) includes an explicit and unconditional release from the settling, compromising or consenting party of each Indemnified Party from all liability arising out of such Proceeding and (b) does not contain any factual or legal admission by or with respect to any Indemnified Party or any adverse statement with respect to the character, professionalism, due care, loyalty, expertise or reputation of any Indemnified Party or any action or inaction by each Indemnified Party. No Indemnified Party seeking indemnification, reimbursement or contribution under this letter agreement will, without the Company's prior written consent (which shall not be unreasonably withheld, conditioned or delayed), settle, compromise, consent to the entry of any judgment or otherwise seek to terminate any action, claim, suit, investigation or proceeding in respect of which indemnification, reimbursement or contribution may be sought.

The Company's reimbursement, indemnification and contribution obligations under this letter agreement shall be in addition to any liability which the Company may otherwise have at law or in equity, shall not be limited by any rights PJT Partners or any other Indemnified Party may otherwise have and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company, PJT Partners and any other Indemnified Party.

This letter agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. A facsimile of a signed copy of this letter agreement or other copy made by reliable mechanical means may be relied upon as an original.

[SIGNATURE PAGE FOLLOWS]

The provisions of this agreement shall apply to the Engagement, as well as any additional engagement of PJT Partners by us in connection with the matters which are the subject of the Engagement, and any modification of the Engagement or additional engagement and shall remain in full force and effect regardless of any termination or the completion of your services under the Engagement Letter.

This agreement and the Engagement Letter and the confidentiality agreement attached to the Engagement Letter shall be governed by, and construed in accordance with the laws of the State of New York applicable to contracts executed in and to be performed in that state.

Very truly yours,

ENERGY XXI LTD

By: 

Name: John D. Schiller, Jr.  
Title: President and CEO

Accepted and Agreed to as  
of the date first written above:

PJT PARTNERS LP

By: PJT Management, LLC, its general partner

By: 

Name: Peter Laurinaitis  
Title: Partner



**EXHIBIT B**

**Laurinaitis Declaration**

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

<b>In re:</b>	§	<b>Case No. 16-31928</b>
	§	
<b>ENERGY XXI LTD, et al.,</b>	§	<b>(Chapter 11)</b>
	§	
<b>Debtors.<sup>1</sup></b>	§	<b>Jointly Administered</b>
	§	

**DECLARATION OF PETER LAURINAITIS  
IN SUPPORT OF THE DEBTORS’ APPLICATION FOR ENTRY  
OF AN ORDER AUTHORIZING THE RETENTION AND EMPLOYMENT  
OF PJT PARTNERS LP AS INVESTMENT BANKER FOR THE DEBTORS  
AND DEBTORS IN POSSESSION *NUNC PRO TUNC* TO THE PETITION DATE**

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I, Peter Laurinaitis, being duly sworn state the following under penalty of perjury:

1. I am over 18 and competent to testify. I am a Partner in the Restructuring and Special Situations Group at PJT Partners LP (“*PJT*”). I am duly authorized to make this declaration (the “*Declaration*”) on behalf of PJT and submit this Declaration in accordance with sections 327(a) and 328(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “*Bankruptcy Code*”) and Rules 2014(a) and 5002 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”) in connection with the application (the “*Application*”) of the above-captioned debtors (collectively, the “*Debtors*”), seeking an order approving the retention of PJT

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<sup>1</sup> The Debtors in these chapter 11 cases and the last four digits of their respective federal tax identification numbers are: Anglo-Suisse Offshore Pipeline Partners, LLC (9562), Delaware EPL of Texas, LLC (9562), Energy Partners Ltd., LLC (9562), Energy XXI GOM, LLC (0027), Energy XXI Gulf Coast, Inc. (8595), Energy XXI Holdings, Inc. (1638), Energy XXI, Inc. (2108), Energy XXI Leasehold, LLC (8121), Energy XXI Ltd (9286), Energy XXI Natural Gas Holdings, Inc. (7517), Energy XXI Offshore Services, Inc. (4711), Energy XXI Onshore, LLC (0308), Energy XXI Pipeline, LLC (5863), Energy XXI Pipeline II, LLC (8238), Energy XXI Services, LLC (3999), Energy XXI Texas Onshore, LLC (0294), Energy XXI USA, Inc. (8552), EPL of Louisiana, L.L.C. (9562), EPL Oil & Gas, Inc. (9562), EPL Pioneer Houston, Inc. (9749), EPL Pipeline, L.L.C. (1048), M21K, LLC (3978), MS Onshore, LLC (8573), Natural Gas Acquisition Company I, LLC (0956), Nighthawk, L.L.C. (9562), and Soileau Catering, LLC (2767). The location of the Debtors’ U.S. corporate headquarters and the Debtors’ service address is: 1021 Main Street, Suite 2626, Houston, Texas 77002.



as investment banker pursuant to sections 327(a) and 328(a) of the Bankruptcy Code and effective as of the Petition Date.<sup>2</sup>

2. Unless otherwise stated in this Declaration, I have personal knowledge of the facts set forth herein and, if called as a witness, I would testify thereto. To the extent that any information disclosed herein requires subsequent amendment or modification upon PJT's completion of further analysis or as additional creditor information becomes available to it, one or more supplemental declarations will be submitted to the court reflecting the same.

### **PJT'S QUALIFICATIONS**

3. I believe that PJT and the professionals it employs are uniquely qualified to advise the Debtors in the matters for which PJT is proposed to be employed.

4. PJT's restructuring and reorganization advisory operation is one of the leading advisors to companies and creditors in restructurings and bankruptcies. PJT was spun off from The Blackstone Group L.P. ("**Blackstone**") effective October 1, 2015.<sup>3</sup> Upon the consummation of the spin-off, Blackstone's restructuring and reorganization advisory group became a part of PJT, and Blackstone's restructuring professionals became employees of PJT. The former Blackstone restructuring professionals, in their capacity as PJT employees, have been conducting business at and providing their clients with the same high-quality restructuring services that Blackstone had itself provided since the formation of its restructuring advisory practice 25 years

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<sup>2</sup> Capitalized terms used but otherwise not defined herein shall have the meanings ascribed to them in the Application.

<sup>3</sup> On October 7, 2014, the board of directors of Blackstone's general partner approved a plan to spin off its financial and strategic advisory services, restructuring and reorganization advisory services and Park Hill fund placement businesses, and to combine these businesses with an independent financial advisory firm founded by Paul J. Taubman, to form an independent, publicly traded company called PJT Partners Inc. PJT is a wholly-owned subsidiary of PJT Partners Holdings LP, a holding partnership that is controlled by PJT Partners Inc., as general partner. PJT Partners Inc. is led by Paul J. Taubman, as chairman and chief executive officer. This spinoff was effected via a multi-step transaction.

ago. PJT professionals have extensive experience working with financially troubled companies in complex financial restructurings. Since 1991, PJT professionals have advised on more than 400 distressed situations, both in and out of court, involving more than \$1.5 trillion of total liabilities.

5. The partners and members of PJT's restructuring and reorganization practice have assisted and advised in numerous chapter 11 cases. In particular, the partners and members of PJT's restructuring and reorganization practice have provided services to debtors, creditors' committees and other constituencies in numerous chapter 11 cases, including, among others: *In re Venoco, Inc.*, No. 16-10655 (KG) (Bankr. D. Del. April 20, 2016); *In re Arch Coal, Inc.*, No. 16-40120-705 (CER) (Bankr. E.D. Mo. Mar. 23, 2016); *In re Verso Corp.*, No. 16-10163 (KG) (Bankr. D. Del. Feb. 23, 2016); *In re Walter Energy, Inc.*, No. 15-02741 (TOM) (Bankr. N.D. Ala. Dec. 8, 2015); *In re Samson Resources Corp.*, No. 15-11934 (CSS) (Bankr. D. Del. Oct. 29, 2015); *In re Magnum Hunter Res., Corp.*, No. 15-12533 (KG) (Bankr. D. Del. Jan. 28, 2016); *In re Molycorp, Inc.*, No. 15-11357 (CSS) (Bankr. D. Del. Aug. 17, 2015); *In re Edison Mission Energy*, No. 12-49219 (JPC) (Bankr. N.D. Ill. Feb. 20, 2013); *In re Allen Sys. Grp., Inc.*, No. 15-10332 (KJC) (Bankr. D. Del. Feb. 18, 2015); *In re Caesars Entm't Operating Co., Inc.*, No. 15-01145 (ABG) (Bankr. N.D. Ill. Jan. 15, 2015); *In re Legend Parent, Inc.*, No. 14-10701 (REG) (Bankr. S.D.N.Y. March 20, 2014); *In re A123 Sys. Inc.*, No. 12-12859 (KJC) (Bankr. D. Del. Dec. 10, 2012); *In re Hostess Brands, Inc.*, No. 12-22052 (RDD) (Bankr. S.D.N.Y. Feb. 23, 2012); *In re Hawker Beechcraft, Inc.*, No. 12-11873 (SMB) (Bankr. S.D.N.Y. May 3, 2012); *In re Eastman Kodak Co.*, No. 12-10202 (ALG) (Bankr. S.D.N.Y. Jan. 19, 2012); *In re Dynegy Holdings, LLC*, No. 11-38111 (CGM) (Bankr. S.D.N.Y. Jan. 19, 2012); *In re Evergreen Solar, Inc.*, No. 11-12590 (MFW) (Bankr. D. Del. Oct. 12, 2011); *In re Harry & David Holdings, Inc.*,

No. 11-10884 (MFW) (Bankr. D. Del. March 28, 2011); *In re Vitro America, LLC*, No. 10-47470 (RFN) (Bankr. N.D. Tex. Nov. 17, 2010); *In re Hawkeye Renewables, LLC*, No. 09-14461 (KJC) (Bankr. D. Del. March 16, 2010); *In re R.H. Donnelley Corp.*, No. 09-11833 (KG) (Bankr. D. Del. Aug. 21, 2009); *In re Station Casinos Inc.*, No. 09-52477 (GWZ) (Bankr. D. Nev. July 28, 2009); *In re Spansion, Inc.*, No. 09-10690 (KJC) (Bankr. D. Del. March 1, 2009); *In re Smurfit-Stone Container Corp.*, No. 09-10235 (BLS) (Bankr. D. Del. Jan. 26, 2009); *In re Bally Total Fitness of Greater New York, Inc.*, No. 08-14818 (BRL) (Bankr. S.D.N.Y. Dec. 3, 2008). In addition, the restructuring group has provided general restructuring advice to major companies such as Ford Motor Company, The Goodyear Tire & Rubber Company and Xerox Corporation.

6. Since its engagement on February 12, 2016, PJT has advised the Debtors in connection with their efforts to explore restructuring and other strategic alternatives. During this time, PJT has become intimately familiar with the Debtors' businesses, affairs, assets and contractual arrangements. PJT has worked closely with the Debtors and management to analyze the Debtors' financial positions and to assist the Debtors in evaluating various restructuring options. Accordingly, I believe that PJT has the necessary background to deal effectively and efficiently with the many financial issues that may arise in the context of the Debtors' chapter 11 cases.

7. As a result of the prepetition work performed on behalf of the Debtors, PJT has acquired significant knowledge of the Debtors' financial affairs, debt structure, business operations, capital structure, key stakeholders, financing documents, and other related material information. Likewise, in providing prepetition services to the Debtors, PJT's professionals have worked closely with the Debtors' management, board of directors, and other advisors. If the Application is approved, several of PJT's professionals, all with substantial expertise in the areas

discussed above, will continue to work closely with the Debtors' management and other professionals throughout the reorganization process. Accordingly, as a result of PJT's representation of the Debtors prior to the commencement of these chapter 11 cases and PJT's extensive experience in representing chapter 11 debtors, I believe that PJT is well qualified to provide these services and represent the Debtors during their chapter 11 cases and I submit that that the employment and retention of PJT is in the best interests of the Debtors, their creditors, and all parties in interest.

### **SERVICES TO BE PROVIDED**

8. If the Application is approved, PJT, in its capacity as the Debtors' investment banker, will render the following investment banking services pursuant to the Engagement Letter and as requested by the Debtors:

- a. assist the Debtors in evaluating the Debtors' businesses and prospects;
- b. assist the Debtors in developing the Debtors' long-term business plan and related financial projections;
- c. assist the Debtors in developing financial data and presentations to the Debtors' Board of Directors, various creditors, and other third parties;
- d. analyze the Debtors' financial liquidity and evaluate alternatives to improve such liquidity;
- e. analyze various restructuring scenarios and the potential impact of these scenarios on the recoveries of those stakeholders impacted by the restructuring;
- f. provide strategic advice with regard to restructuring or refinancing the Debtors' existing or potential debt obligations or other claims, including, without limitation, senior debt, junior debt, trade claims, general unsecured claims, and preferred stock (collectively, the "*Obligations*");
- g. evaluate the Debtors' debt capacity and alternative capital structures;

- h. participate in negotiations among the Debtors and their creditors, suppliers, lessors, and other interested parties;
- i. value securities offered by the Debtors in connection with a Restructuring;
- j. advise the Debtors and negotiate with lenders with respect to potential waivers or amendments of various credit facilities;
- k. assist in arranging financing for the Debtors, as requested by the Debtors;
- l. provide expert witness testimony concerning any of the subjects encompassed by any investment banking services;
- m. assist the Debtors in preparing marketing materials in conjunction with a possible Transaction;
- n. if requested and mutually agreed, assist the Debtors in identifying potential buyers or parties in interest to a Transaction and, assist in any due diligence process;
- o. assist and advise the Debtors concerning the terms, conditions, and impact of any proposed a Transaction; and
- p. provide such other advisory services as are customarily provided in connection with the analysis and negotiation of a Restructuring or a Transaction, as requested and mutually agreed to by the Debtors and PJT.

### **PROFESSIONAL COMPENSATION**

9. In consideration of the services to be provided by PJT, and as summarized in the Application and more fully described in the Engagement Letter, the Debtors and PJT have agreed that PJT shall, in respect of its services, be compensated under the Fee Structure.

10. The Fee Structure is consistent with PJT's typical fee for work of this nature. The fees are set at a level designed to compensate PJT fairly for the work of its professionals and assistants and to cover fixed and routine overhead expenses. It is PJT's policy to charge its clients for all disbursements and expenses incurred in the rendition of services.

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

12. The Engagement Letter was negotiated at arm's length and in good faith, and I believe that the provisions contained therein are reasonable terms and conditions of PJT's employment by the Debtors.

13. With respect to the Engagement Letter's indemnification provisions, summarized in the Application and more fully described in Attachment A of the Engagement Letter, unlike the market for other professionals that a debtor 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 PJT and for comparable engagements, both in and out of court. The Engagement Letter's indemnification and contribution provisions were fully negotiated by the Debtors and PJT at arm's-length and in good faith, and I respectfully submit that these indemnification and contribution provisions of the Engagement Letter are reasonable, subject to the modifications set forth in the proposed Order.

14. Other than as set forth above, there is no proposed arrangement between the Debtors and PJT for compensation to be paid in these cases. PJT has no agreement with any other entity to share any compensation received, nor will any be made, except as permitted under Bankruptcy Code section 504(b)(1).

15. PJT is willing to be retained by the Debtors as its investment banker and will make appropriate applications to this Court pursuant to Bankruptcy Code section 330 for compensation and reimbursement of out-of-pocket expenses, all in accordance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and any orders of this Court.

16. It is not the general practice of investment banking firms to keep detailed time records similar to those customarily kept by attorneys. PJT's 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. PJT 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.

17. Prior to the Petition Date, the Debtors paid PJT \$525,000 for fees and \$31,344.85 for reimbursement of expenses during the 90-day period before the Petition Date. Separately, PJT has received a prepetition expense deposit of \$100,000 that will be applied against any prepetition expenses incurred but not yet received due to delay in third-party vendors in providing invoices, with the remaining balance, if any, credited against postpetition expenses.

#### **INDEMNIFICATION**

18. As part of the overall compensation payable to PJT under the terms of the Engagement Letter, the Debtors have agreed to certain indemnification, contribution, and reimbursement obligations, as more fully described in Attachment A of the Engagement Letter (the "*Indemnification Agreement*"). The Indemnification Agreement provides that the Debtors will indemnify, defend, and hold harmless PJT and its affiliates, and their respective current and

former directors, officers, agents, employees, attorneys, and other representatives and the successors and assigns of all the foregoing persons (each, an “*Indemnified Party*”) from and against any losses, claims, damages, fines, penalties, liabilities and expenses (“*Losses*”) in connection with any matter in any way relating to or referred to in Engagement Letter or arising out of the matters contemplated by the Engagement Letter, including, without limitation, related services and activities prior to the date of the Engagement Letter, except to the extent that it shall be determined by a court of competent jurisdiction in a judgment that has become final in that it is no longer subject to appeal or other review that such Losses resulted solely from the gross negligence, bad faith or willful misconduct of such Indemnified Party. The Debtors, however, will not be liable for any Liabilities that are finally judicially determined by a court of competent jurisdiction to have primarily resulted from the gross negligence, bad faith or willful misconduct of any Indemnified Party.

19. The Engagement Letter’s indemnification and contribution provisions were fully negotiated by the Debtors and PJT at arm’s length and in good faith, and the Debtors respectfully submit that these indemnification and contribution provisions of the Engagement Letter are reasonable, subject to the modifications set forth in the proposed Order. The Debtors believe that the indemnification provisions in the Engagement Letter are appropriate and reasonable for investment banking engagements both out of court and in chapter 11 cases, and reflect the qualifications and limitations on indemnification provisions that are customary in this district and other jurisdictions

#### **NO DUPLICATION OF SERVICES**

20. PJT believes that the services it provides to the Debtors will not duplicate the services that other professionals will be providing to the Debtors in these chapter 11 cases. Specifically, PJT will carry out unique functions and will use reasonable efforts to coordinate



with the Debtors and the other professionals retained in these chapter 11 cases to avoid the unnecessary duplication of services.

**PJT'S DISINTERESTEDNESS**

21. PJT has performed a conflict search and based on the results, to the best of my knowledge, neither I, PJT, nor any member or employee thereof, insofar as I have been able to ascertain, is an insider of the Debtors, nor has any connection with the Debtors, their creditors, or other parties-in-interest as reasonably known to us prior to completion of our more detailed conflict search, except as described further in the Kim-Rosen Declaration.

22. As part of its diverse practice, PJT appears in numerous cases, proceedings and transactions involving many different professionals, including attorneys, accountants, investment bankers and financial consultants, some of which may represent claimants and parties-in-interest in the Debtors' chapter 11 cases. In addition, PJT has in the past and will likely in the future be working with or against other professionals involved in this case in matters unrelated to this case. Based on our current knowledge of the professionals involved, and to the best of my knowledge, none of these business relations constitute interests materially adverse to the Debtors' estates herein, and none are in connection with these cases.

23. Annah Kim-Rosen, the Chief Compliance Officer of PJT (in such capacity, the "***Compliance Manager***"), is responsible for, among other things, the day-to-day-operation of the compliance function at PJT. As part of that job, she maintains, for purposes of monitoring and avoiding conflicts of interest, a list (the "***Restricted List***") of companies with which PJT is doing business, either as an advisor or with respect to which PJT is in possession of material nonpublic information or has entered into a confidentiality agreement. The Compliance Manager and her staff have received a list of parties-in-interest provided by the Debtors (the "***Parties-In-Interest***") attached as **Schedule 1** to the Kim-Rosen Declaration, which is attached as **Exhibit C** to the

Application, and has compared this to PJT's Restricted List to determine the existence of any possible conflicts (the "*Conflict Check*"). The results of this Conflict Check are disclosed in the Kim-Rosen Declaration.

24. The Compliance Manager has undertaken a review of the Parties-In-Interest list to determine possible connections relating to the Debtors and, subject to the foregoing limitations and the disclosures made in the Kim-Rosen Declaration, no material connections have been found.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: May 11, 2016  
New York, New York

By: /s/ Peter Laurinaitis  
Peter Laurinaitis  
Partner  
PJT Partners LP

**EXHIBIT C**

**Kim-Rosen Declaration**

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

<b>In re:</b>	§	<b>Case No. 16-31928</b>
	§	
<b>ENERGY XXI LTD, et al.,</b>	§	<b>(Chapter 11)</b>
	§	
<b>Debtors.<sup>1</sup></b>	§	<b>Jointly Administered</b>
	§	

**DECLARATION OF ANNAH KIM-ROSEN  
IN SUPPORT OF DEBTORS’ APPLICATION FOR ENTRY  
OF AN ORDER AUTHORIZING THE RETENTION AND EMPLOYMENT  
OF PJT PARTNERS LP AS INVESTMENT BANKER FOR THE DEBTORS  
AND DEBTORS IN POSSESSION *NUNC PRO TUNC* TO THE PETITION DATE**

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I, Annah Kim-Rosen, being duly sworn, state the following under penalty of perjury:

1. I am the Chief Compliance Officer of PJT Partners LP (“*PJT*”). As part of my job, I am responsible for maintaining, for purposes of monitoring and avoiding conflicts of interest, a list of companies with which PJT or one of its affiliates is doing business, either as an advisor or with respect to which PJT or one of its affiliates is in possession of material, nonpublic information or has entered into a confidentiality agreement.

2. On April 25, 2016, my colleagues and I received a list of Parties-In-Interest (“*PII*”) from the above-captioned debtors and debtors-in-possession (the “*Debtors*”), which is attached hereto as **Schedule 1**.

---

<sup>1</sup> The Debtors in these chapter 11 cases and the last four digits of their respective federal tax identification numbers are: Anglo-Suisse Offshore Pipeline Partners, LLC (9562), Delaware EPL of Texas, LLC (9562), Energy Partners Ltd., LLC (9562), Energy XXI GOM, LLC (0027), Energy XXI Gulf Coast, Inc. (8595), Energy XXI Holdings, Inc. (1638), Energy XXI, Inc. (2108), Energy XXI Leasehold, LLC (8121), Energy XXI Ltd (9286), Energy XXI Natural Gas Holdings, Inc. (7517), Energy XXI Offshore Services, Inc. (4711), Energy XXI Onshore, LLC (0308), Energy XXI Pipeline, LLC (5863), Energy XXI Pipeline II, LLC (8238), Energy XXI Services, LLC (3999), Energy XXI Texas Onshore, LLC (0294), Energy XXI USA, Inc. (8552), EPL of Louisiana, L.L.C. (9562), EPL Oil & Gas, Inc. (9562), EPL Pioneer Houston, Inc. (9749), EPL Pipeline, L.L.C. (1048), M21K, LLC (3978), MS Onshore, LLC (8573), Natural Gas Acquisition Company I, LLC (0956), Nighthawk, L.L.C. (9562), and Soileau Catering, LLC (2767). The location of the Debtors’ U.S. corporate headquarters and the Debtors’ service address is: 1021 Main Street, Suite 2626, Houston, Texas 77002.

3. I have undertaken a review of the PII to determine possible connections relating to the Debtors and, subject to the foregoing limitations and the following disclosures, no material connections have been found.

- a. PJT has been engaged to provide financial advisory services to an affiliate of one of the PII and such entity's affiliates, whose identity cannot be disclosed for confidentiality reasons, in connection with an engagement, the nature of which cannot be disclosed for confidentiality reasons. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- b. PJT has been engaged to provide financial advisory services to an affiliate of one of the PII, whose identity cannot be disclosed for confidentiality reasons, in connection with potential transactions, the nature of which cannot be disclosed for confidentiality reasons. These engagements are wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by these engagements.
- c. PJT has been engaged to provide financial advisory services to a group of creditors, including one of the PII, whose identity cannot be disclosed for confidentiality reasons, in connection with a potential restructuring. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- d. PJT has been engaged to provide financial advisory services to a group of lenders to Paragon Offshore plc in connection with Paragon Offshore plc's chapter 11 case. Some of the PII or their affiliates are lenders to Paragon Offshore plc. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- e. PJT has been engaged to provide financial advisory services to the official committee of unsecured creditors of Molycorp Inc. in connection with Molycorp Inc.'s chapter 11 case. Franklin Advisers, Inc., one of the PII, and one of its affiliates are creditors of Molycorp Inc. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that

the interests of the Debtors or their estates are adversely affected by this engagement.

- f. PJT has been engaged by a client of Kirkland & Ellis LLP, one of the PII, whose identity cannot be disclosed for confidentiality reasons, for an engagement, the nature of which cannot be disclosed for confidentiality reasons. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- g. PJT has been engaged to provide financial advisory services to Samson Resources Corporation in connection with Samson Resources Corporation's chapter 11 case. Kirkland & Ellis LLP, one of the PII, is counsel to Samson Resources Corporation. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.
- h. PJT has been engaged to provide financial advisory services to Magnum Hunter Resources Corporation in connection with Magnum Hunter Resources Corporation's chapter 11 case. Kirkland & Ellis LLP, one of the PII, is counsel to Magnum Hunter Resources Corporation. This engagement is wholly unrelated to the Debtors and these chapter 11 cases, and PJT does not believe that the interests of the Debtors or their estates are adversely affected by this engagement.

4. PJT currently holds no direct or indirect interest in any debt or equity securities of the Debtors.

5. To the best of my knowledge, except as disclosed herein: (i) PJT has no material connection with any of the Debtors, the Debtors' creditors, the United States Trustee for the Southern District of Texas (the "*U.S. Trustee*"), any person employed in the office of the U.S. Trustee or any other party with an actual or potential interest in these chapter 11 cases or their respective attorneys or accountants; (ii) PJT (and PJT's professionals) are not creditors, equity security holders or insiders of any of the Debtors; (iii) neither PJT nor any of its professionals is or was, within two years of the date of the Debtors' filing of these chapter 11 cases, a director, officer, or employee of the Debtors; and (iv) neither PJT nor its professionals holds or represents

an interest materially adverse to the Debtors, their estates or any class of creditors or equity security holders by reason of any direct or indirect relationship to, connection with, or interest in the Debtors, or for any other reason. Accordingly, I believe that PJT is a “disinterested person” as defined in section 101(14) of title 11 of the United States Code (the “*Bankruptcy Code*”), as modified by section 1107(b) of the Bankruptcy Code and PJT’s employment is permissible under sections 327(a) and 328(a) of the Bankruptcy Code.

6. PJT has performed reasonable due diligence for possible conflicts with the PII in the Debtors’ chapter 11 cases. The following is a list of the categories that PJT has searched with respect to the PII:

- a. Debtors and Non-Debtor Affiliates;
- b. Bankruptcy Judges and Key Court Personnel;
- c. Cash Management Banks;
- d. Critical Vendors;
- e. Equity Holders;
- f. Insurers;
- g. Lenders;
- h. Litigation Parties;
- i. Noteholders and Indenture Trustees;
- j. Officers and Directors;
- k. Proposed Chapter 11 Professionals;
- l. Significant Customers and Key Contract Counterparties;
- m. Sureties;
- n. Taxing Authorities;
- o. Top 65 Unsecured Creditors;



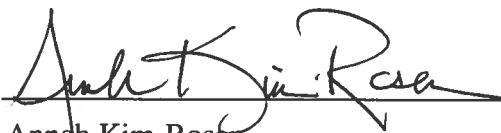
p. U.S. Trustees; and

q. Utilities.

7. The list of PII was provided by the Debtors and may change during the pendency of the Debtors' chapter 11 cases. Should PJT learn that a relationship with any of the PII should be disclosed in the future, a supplemental declaration with such disclosure will be promptly filed.

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

Dated: May 11, 2016

  
Annah Kim-Rosen  
Chief Compliance Officer, PJT Partners LP

**SCHEDULE 1**  
**List of Search Parties**

**Debtors and Non-Debtor Affiliates**

Anglo-Suisse Offshore Pipeline Partners, LLC  
Delaware EPL of Texas, LLC  
Energy Partners Ltd., LLC  
Energy XXI (US Holdings) Limited  
Energy XXI GIGS Services, LLC  
Energy XXI GOM, LLC  
Energy XXI Gulf Coast, Inc.  
Energy XXI Holdings, Inc.  
Energy XXI Insurance Limited  
Energy XXI International Limited  
Energy XXI Leasehold, LLC  
Energy XXI Ltd.  
Energy XXI M21K, LLC  
Energy XXI Malaysia, Limited  
Energy XXI Natural Gas Holdings, Inc.  
Energy XXI Offshore Services, Inc.  
Energy XXI Onshore, LLC  
Energy XXI Pipeline II, LLC  
Energy XXI Pipeline, LLC  
Energy XXI Services, LLC  
Energy XXI Texas Onshore, LLC  
Energy XXI USA, Inc.  
Energy XXI, Inc.  
EPL of Louisiana, L.L.C.  
EPL Oil & Gas, Inc.  
EPL Pioneer Houston, Inc.  
EPL Pipeline, L.L.C.  
M21K, LLC  
MS Onshore, LLC  
Natural Gas Acquisition Company I, LLC  
Nighthawk, L.L.C.  
Soileau Catering, LLC

**Bankruptcy Judges and Key Court Personnel**

Albert Alonzo  
David R. Jones  
Diyana Staples  
Eduardo V. Rodriguez  
Jeff Bohm  
Karen K. Brown

Letitia Z. Paul  
Marvin Isgur

**Cash Management Banks**

Citibank, N.A.  
Credit Suisse Securities (USA) LLC  
Frost National Bank  
HSBC  
JP Morgan Chase Bank  
Regions Bank  
Texas Capital Bank  
The First National Bank of Hebronville  
U.S. Bank, N.A.  
UMB Corporate Trust  
Wells Fargo Bank, N.A.

**Critical Vendors**

AFS Petrologix  
Church Point Wholesale  
Dulan, LLC  
Ethos Energy Light Turbines LLC  
Gaubert Oil Company Inc.  
Island Operating Company, Inc.  
John W. Stone Oil Distributor  
PHI Inc.  
River Rental Tool, Inc.  
Shamrock Management LLC  
Sirius Technologies, LLC  
Solar Turbines Incorporated  
Wood Group PSN, Inc.

**Equity Holders**

Allianz Global Investors U.S., LLC  
AQR Capital Management Group, L.P.  
AQR Capital Management, LLC  
Bank of America Corporation  
Bank of New York Mellon Corporation  
BlackRock, Inc.  
Bridgeway Capital Management, Inc.  
Citadel, LLC

Columbia Management Investment Advisers, LLC  
CSS LLC  
Dimensional Holdings, Inc.  
Franklin Resources, Inc.  
Gagnon Securities, LLC  
Geode Capital Holdings, LLC  
Glenmede Trust Company (Asset Management)  
Goldman Sachs Group, Inc.  
Government of China  
Government of Norway  
Group One Trading, L.P.  
GRT Capital Partners, LLC  
Invesco, LTD.  
Jag Trading, LLC  
Lazard Asset Management, LLC (U.S.)  
Lep Summer Holdings I, LLC  
LSV Asset Management  
Morgan Stanley  
Morgan Stanley Wealth Management  
Mount Kellett Capital Management, L.P.  
Northern Trust Corporation  
Pinnacle Holdings, LLC  
RBC Dominion Securities, Inc.  
Royal Capital Management, LLC (U.S.)  
RPg Family Wealth Advisory, LLC  
Safra National Bank Of New York  
Silvercreek Management, Inc.  
Soros Fund Management, LLC  
State of California  
State Street Corporation  
The Charles Schwab Corporation  
The Vanguard Group, Inc.  
Two Oaks Investment Management, LLC  
Vandham Securities Corp.  
Venor Capital Management, L.P.  
Zazove Associates, LLC

**Insurers**

Ace American Insurance Company  
AIG Europe Limited  
Allianz Global Risk U.S. Insurance Company  
Allied World National Assurance Company  
Alterra America Insurance Company  
Alterra Excess & Surplus Insurance Co

American Alternative Insurance Corporation  
Amlin Underwriting Limited  
Antares Managing Agency Limited  
ANV Global Services Ltd., Spanish Branch  
Arch Insurance Company (Europe)  
Arch Reinsurance Ltd.  
Argo Managing Agency Limited  
Ascot Underwriting Limited  
Aspen Managing Agency Limited  
Assicurazioni Generali S.p.A. UK Branch  
Asta Managing Agency Limited  
Atlantic Specialty Insurance Company  
Barbican Managing Agency Limited  
Beazley Furlonge Limited  
Brit Syndicates Limited  
Canopus Managing Agents Limited  
Cathedral Underwriting Limited  
Catlin Underwriting Agencies Limited  
Dupre Carrier Godchaux Agency, Inc.  
Endurance Worldwide Insurance Limited  
Energy XXI Insurance Limited  
Federal Insurance Company  
First Insurance Agency, Inc.  
Fourrier Agency, Inc.  
Gemini Insurance Company  
General Security Indemnity Company of AZ  
Gotham Insurance Company  
Great American Insurance Company  
Great Lakes Reinsurance (UK) PLC  
Hanover Insurance Company - Marine Division  
Houston Casualty Company  
Houston Casualty Company (UK Branch)  
Energy Account  
Hudson Specialty Insurance Company  
Illinois National Insurance Company (AIG)  
Insurance Company of North America  
International Insurance Company of Hanover, Ltd.  
Ironshore Europe Limited  
Ironshore Specialty Insurance Co  
Lancashire Insurance Company (UK) Limited  
Lexington Insurance Company  
Liberty Insurance Underwriters, Inc.  
Liberty International Underwriters  
Liberty Mutual Insurance Company

Liberty Syndicate Management Limited  
Lloyd's Insurance  
Markel International Insurance Company Limited  
Markel Syndicate Management Limited  
Marketform Managing Agency Limited  
Mitsui Sumitomo Insurance Underwriting at Lloyd's Limited  
Munich Re Underwriting Limited  
National Fire & Marine Insurance Co  
National Union Fire Ins. Company of Pittsburgh, PA  
Navigators Insurance Company  
Navigators Underwriting Agency Limited  
New York Marine & General Insurance Company  
Newline Underwriting Management Limited  
North American Specialty Insurance Company  
Novae Syndicates Limited  
Partner Re Ireland Insurance Limited  
Pembroke Managing Agency Limited  
Philadelphia Indemnity Insurance Company  
Prudential Insurance Company of America  
QBE Insurance (Europe) Limited  
QBE Underwriting Limited  
RLI Insurance Company  
RSUI Indemnity Company  
Signal Mutual Indemnity Association  
Sirius International Managing Agency Ltd.  
StarNet Insurance Company  
Starr Financial Lines Consortium  
Starr Managing Agents Limited  
Starr Surplus Lines Insurance Company  
Swiss Re International SE (UK Branch)  
Swiss Re International SE Zurich Switzerland  
Talbot Underwriting Ltd.  
The Channel Managing Agency Ltd.  
The Continental Insurance Company  
Torus Insurance (UK) Limited  
Torus Underwriting Management Ltd.  
Travelers  
Travelers Property Casualty Company of America  
Travelers Syndicate Management Limited  
U.S. Fire Insurance Company  
United States Aircraft Insurance Group

W R Berkley Syndicate Management Limited  
XL Specialty Insurance Company  
Zurich American Insurance Company of Illinois  
Zurich Insurance Group Ltd.

### **Lenders**

ABN Amro Capital USA LLC  
Amegy Bank National Association  
Barclays Bank PLC  
Canadian Imperial Bank of Commerce, New York Branch  
Capital One, National Association  
Citibank, N.A.  
Comerica Bank  
Commonwealth Bank of Australia  
Credit Agricole Corporate and Investment Bank  
Credit Suisse AG, Cayman Islands  
Deutsche Bank AG New York  
Fifth Third Bank  
Iberia Bank  
ING Capital LLC  
Keybank National Association  
Natixis, New York Branch  
PNC Bank, National Association  
Regions Bank  
Santander Bank, N.A.  
Scotiabanc Inc.  
Sumitomo Mitsui Banking Corporation  
The Bank of Nova Scotia  
The Royal Bank of Scotland, plc  
Toronto Dominion (Texas) LLC  
UBS AG, Stamford Branch  
Wells Fargo Bank, N.A.  
Whitney Bank

### **Litigation Parties**

Acadian Valve Services & Supply, Inc.  
Allision - HI 154 - EPL property (Maersk, Inc.)  
Allision - Pipeline damage at EC 321A (Penn Maritime, Inc.)  
Allision - ST 27 Legacy property (Bordelon Marine, Inc.)

AMC Liftboats Inc.  
 Apache v. EPL  
 Becnel, Marci (estate of Partick Becnel) v.  
 Bell Helicopter Textron Inc., Rolls-Royce  
 Corporation, Wood Group PSN, Inc., Energy  
 XXI GOM, LLC  
 Bordelon Marine, Inc. v. EXXI GOM, LLC  
 Bureau of Safety and Environmental  
 Enforcement/Department of Interior  
 Cross Diving Services, LLC rep: Heidi  
 Eschliman, Creighton Burnett, member  
 managers  
 Fairfield Nodal  
 Fairfield Nodal  
 FINRA  
 Granger, Barry v. EPL Oil & Gas, Inc., Energy  
 XXI GOM, LLC, Energy XXI Gulf Coast,  
 Inc., Energy XXI, Ltd.  
 Gros, Michael and Gros, Ashley v. Energy  
 XXI GOM, LLC; Island Operating Company,  
 Inc.,  
 Gulf Coast International rep: James Edgar  
 Gulf Crane Services, Inc.  
 Guliuzo, Randy v. Energy XXI Ltd.  
 Harmon, Shannon v. Energy XXI, R360  
 Energy Solutions of LA, LLC  
 Julien, Jacque v. EPL  
 McCoy, Josh v. Energy XXI GOM, LLC and  
 Wood Group, USA, Inc.  
 Mitchell, Daryl v. Fleet Operators, Inc., Island  
 Operating Company, Inc., Energy XXI GOM,  
 LLC and MNM Boats  
 Morvant, Chris v. Energy XXI USA, Inc.,  
 Energy XXI Gulf Coast, Inc., Precision Crane  
 and Hydraulics, LLC  
 Orgain Bell & Tucker LLP  
 Plaquemines Parish v. HHE, et al  
 Romero, Joel v. Panther, EPL  
 Romero, Roddy v. Nabors Offshore Servives,  
 Inc., & Energy XXI  
 Sapp, Randall v. Wood Group PSN, Inc., Flow  
 Petroleum Services, Inc., Abe's Boat Rentals,  
 Inc., Energy XXI Gulf Coast, Inc.  
 Scott, Chris v. Linbar Marine and EPL Oil &  
 Gas, Inc.  
 Securities and Exchange Commission

Sherwin, Joseph v. Energy XXI Ltd.  
 Sims, Travis v. Energy XXI GOM, LLC  
 Smith Marine Towing Corp. and KJS Towing,  
 Inc. v. EPL Oil & Gas, Inc., Energy XXI and  
 ENI US Operating Co., Inc.  
 Smith Marine Towing Corp. and KJS Towing,  
 Inc. v. EPL Oil & Gas, Inc., Energy XXI and  
 ENI US Operating Co., Inc.  
 Tasker, Kennedy v. Chevron USA, Inc. and  
 Energy XXI GOM, LLC  
 Vice, Russell v. Total Corrosion Management,  
 LLC (Troy Moreaux), EPL Oil & Gas, Inc.,  
 EXXI, Seacor LB Offshore LLC  
 Willis, Lloyd v. Wood Group PSN, Inc., EXXI  
 USA, Inc. and JNET, LLC  
 Wood Group PSN, Inc.  
 Young, Tyronne, v. Energy XXI and Island  
 Operating Company, Inc.

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U.S. Specialty Insurance Company  
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City of New Orleans, Bureau of the Treasury  
City of Opelousas  
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David Piwoka  
Delaware Secretary of State  
Goose Creek CISD Tax Office  
Harris County FWSD 6  
Iberia Parish Sheriff  
Jefferson County Tax A/C  
Jefferson Parish  
Jefferson Parish General Sales  
Jefferson Parish Sheriff's Office  
L Ross  
LaFourche Parish Sheriff's Office  
Lonnie J Greco Sr.  
Louisiana Department of Revenue  
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Plaquemines Parish LA  
Sheldon ISD Tax Office  
St. Bernard Parish  
St. Landry Parish Sheriff Tax  
St. Mary Parish Sheriff  
Tax Collector Lafayette Parish  
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Town of Grand Isle  
Vermilion Parish Tax Collector

**Top 65 Unsecured Creditors**

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Acadiana Valve Services & Supply LLC  
Adriatic Marine LLC  
Advanced Measurement Technology Inc.  
Afs-Petrologix  
Aggreko LLC  
All Coast LLC  
Archrock Services LP  
Axip Energy Services LP  
B & J Martin Inc.  
Baker Hughes  
Broussard Brothers Inc.  
C & D Production Specialist Co Inc.  
C & G Boats Inc.  
Cardinal Well Services  
Cdm Resource Management, LLC  
Cetco Energy Services Company, LLC  
Church Point Wholesale  
Clariant Corporation  
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Delta Energy Services  
D-Now LLP  
Dolphin Energy Equipment, LLC  
Dulan LLC  
Dynamic Production Services Inc.  
Environmental Enterprises USA  
Expeditors & Production Serv  
Expro Americas Llc - Offshore  
Fab Con Inc.  
Flow Chem Technologies LLC  
Fluid Crane & Construction  
Gaubert Oil Company Inc.  
Global Logistics LLC  
Gom Fabricators  
Greene's Energy Group  
Gulf Resource Management Inc.  
Gulf South Services Inc.  
H & H Well Service Inc.  
Halliburton  
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Labrode Marine Crewboats II, LLC  
Logic Control Systems  
National Oilwell Varco

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Petroleum Solutions International LLC  
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