



PJT Partners



# EXCO Resources, Inc.

OPPORTUNITY OVERVIEW | Q1 2018

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# Executive Summary



## Diverse Portfolio with Substantial, High-Quality Drilling Inventory

EXCO Resources, Inc. ("EXCO" or the "Company") has engaged PJT Partners ("PJT") as its financial advisor to solicit proposals for the sale of its portfolio of assets.

### OPPORTUNITY OVERVIEW AND SALE PROCESS DETAIL

On January 15, 2018, EXCO filed voluntary petitions for relief under Chapter 11 of the US Bankruptcy Code as part of a process to restructure its balance sheet

- As part of the ongoing process, the Company is seeking indications of interest for the sale of its assets
- Acceptable bids will include those for the entire asset portfolio or for its three individual asset regions with indicative bids due on or around March 9, 2018
- Binding bids to follow in accordance with sale process procedures and final court approval prior to closing
- Virtual data room ("VDR") will be available in mid-February 2018 for interested parties upon execution of a confidentiality agreement
- Reserve database effective date of April 1, 2018, for any asset sale

### MAP OF PRIMARY ASSETS



### PORTFOLIO SUMMARY<sup>(1)</sup>

	East Texas / North Louisiana	South Texas	Appalachia & Other <sup>(2)</sup>
2017E Exit Net Production	208 MMcf/d	3,005 Boe/d	26 MMcf/d
Net Acres / % HBP	98,100 / 87%	49,700 / 94%	181,500 / 94%
Average WI / NRI of PDP Operated Wells	53% / 41%	44% / 33%	36% / 29%
Gross Producing Well Count Total / Operated	854 / 532	251 / 228	145 / 115

(1) Figures as of year-end 2017.

(2) A pending Appalachia transaction may significantly increase EXCO's working interests. In the event that the pending transaction closes, EXCO, and certain of its affiliates, would be the sole entities to convey its Appalachia interests to a prospective buyer(s) per the marketing materials contained herein.



# East Texas / North Louisiana Highlights



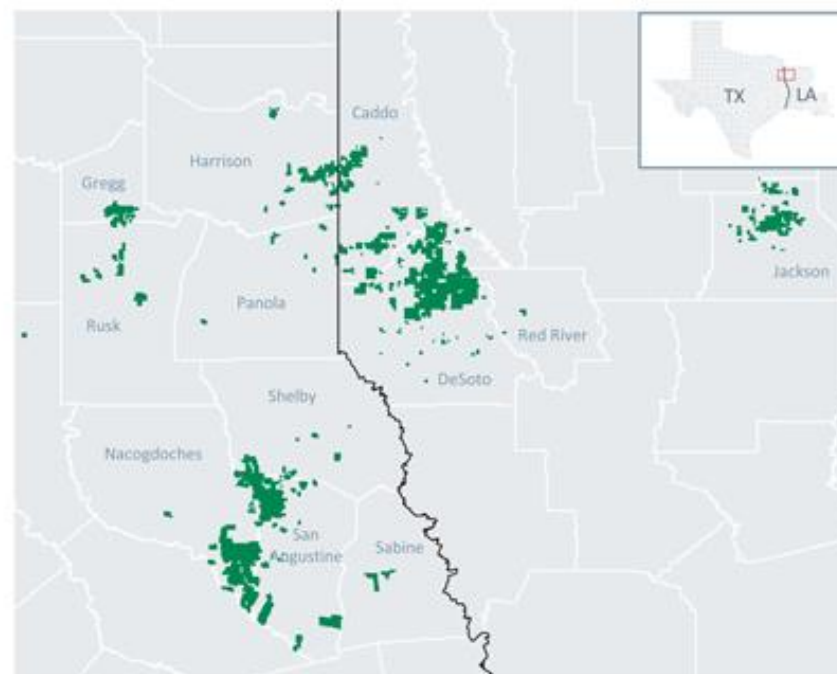
## Large Operated Position in the Core of the Haynesville and Bossier Shales

### PREMIER HAYNESVILLE / BOSSIER SHALE OPPORTUNITIES

<b>Core Acreage Position with Significant Production</b>	<ul style="list-style-type: none"> <li>Approximately 85,000 largely contiguous net acres in the core of the Haynesville and Bossier play<sup>(1)</sup></li> <li>Leasehold is majority operated and 87% held by production, providing operational control</li> <li>Current net production of ~208 MMcf/d (87% EXCO operated production) from ~850 producing wells                             <ul style="list-style-type: none"> <li>Approximately 420 operated producing wells in the Louisiana Haynesville represents a leading position among producers</li> </ul> </li> <li>Robust PDP base supports large total reserve value</li> <li>In the event of a Shell divestiture, a pref right exists for EXCO to acquire their Haynesville / Bossier assets</li> </ul>
<b>Drilling Inventory with De-Risked, Delineated Upside Potential</b>	<ul style="list-style-type: none"> <li>Identified low-risk drilling and DUC inventory primed to ramp up production levels and cash flow</li> <li>Significant operated inventory of horizontal Haynesville and Bossier drilling locations with robust drilling economics at current strip pricing</li> <li>High intensity completion designs of &gt;3,500 lbs/ft as being implemented by EXCO, with ongoing completion optimization up to 5,000 lbs/ft designs across the play                             <ul style="list-style-type: none"> <li>Results of latest generation of frac designs in portion of East TX are rivaling results in core Louisiana parishes</li> </ul> </li> <li>Cross-unit laterals and well spacing, in addition to successfully tested third-party recompletions, provide incremental upside</li> </ul>
<b>Strategically Located Near Key Infrastructure</b>	<ul style="list-style-type: none"> <li>Attractive netbacks / differentials in the position due to proximity to Henry Hub, LNG export facilities, and region with petrochemical demand                             <ul style="list-style-type: none"> <li>Existing major pipelines provide substantial capacity to access multiple Gulf Coast and Southeast markets</li> </ul> </li> <li>Extensive gas gathering and water handling systems provide coverage across development acreage</li> <li>Ongoing optimization activities with gas transportation providers, with the potential to leverage the bankruptcy code around select executory contracts</li> </ul>

(1) Jackson Parish acreage is excluded in the Haynesville and Bossier play net acres.  
 (2) Haynesville rig counts per Baker Hughes, Henry Hub spot price per EIA figures.

### EAST TEXAS / NORTH LOUISIANA ACREAGE MAP



### GROWTH AND RESILIENCY IN REGIONAL RIG COUNT<sup>(2)</sup>

Regional rig count has escalated with flat natural gas prices, a testament to the latest generation of completion designs.



# East Texas / North Louisiana Highlights (Cont'd)

## Significant Collection of High-Return, Upside Opportunities



*In addition to core drilling inventory targeting the world-class Haynesville shale, EXCO has identified tremendous upside opportunities across its East Texas / North Louisiana position*

### Identified Upside

- EXCO continuing to unlock Bossier Shale potential in North Louisiana
- Evolving completion designs with tighter stage / cluster spacing elicit better results
- Modern Harrison / Panola County, TX Haynesville completion optimizations continue to establish economic locations
- Substantial refrac inventory among vast portfolio of operated EXCO wellbores; cemented liner recompletions are eliciting strong results and returns

### Demonstrated Success

- ✓ EXCO Norris 1-12 HC 1 well (2017 completion design) cum'd 1.9 Bcf in 8 months with an EUR/1,000' of 1.6 Bcf
- ✓ Continued EXCO development optimization, including design of staggered laterals to allow for additional locations
- ✓ Other operators with optimized completions (3,000-4,000+ lbs/ft) in the region are enhancing economics
- ✓ Cemented liner completion designs have significantly larger proppant volume with tighter stage and cluster spacing; success among CHK, QEP and Vine projects

### STRATIGRAPHIC COLUMN

LOWER CRETACEOUS	Travis Peak	
UPPER JURASSIC	Cotton Valley Sandstone	Schuler
		Cotton Valley Sandstones
	Louark Group	★ Bossier Shale
		★ Haynesville Shale
		Haynesville Cotton Valley Lime
MIDDLE JURASSIC	Louann GR	Buckner
		Smackover
UPPER TRIASSIC	Louann GR	Louann Salt
		Warner
	Eagle Mills	

★ Target Formation

### HORIZON OVERVIEW

#### Selected Commentary:

- Thick / high OGIP formation provides flexibility to potentially stagger / stack laterals
- Completion optimization drives EURs of >2.0 Bcf/1000' in East Texas
- Offset operators demonstrating strong results in East Texas

#### Selected Commentary:

- Over-pressured, thermally mature and organic-rich shale that is highly delineated across EXCO's position
- Continued evolution of Haynesville completion designs is delivering results in excess of 3.0 Bcf EUR/1,000' lateral



# South Texas Highlights

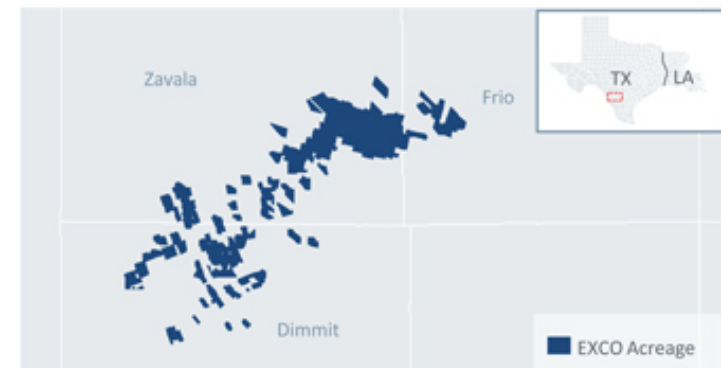
## Highly Economic Operated Asset in the Eagle Ford Oil Window



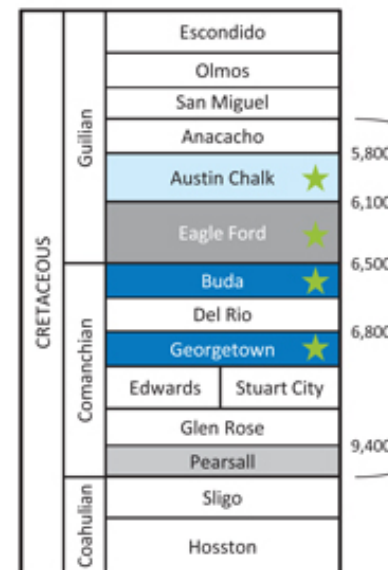
### UNIQUE OPPORTUNITY IN LOW-RISK AREA OF THE PLAY

<b>Large, Contiguous South Texas Acreage Position</b>	<ul style="list-style-type: none"> <li>Approximately 50,000 net acre position, almost entirely HBP, primarily in the prolific oil window of Zavala, Frio, and Dimmit Counties</li> <li>Lower Eagle Ford thickness of up to ~200 ft across the entire position; including Upper Eagle Ford, total thickness of up to ~400 ft</li> <li>Potential for lateral lengths in excess of 10,000 ft in some areas given lease configuration and relatively shallow depths</li> </ul>
<b>Predictable Production and Cash Flow Profile</b>	<ul style="list-style-type: none"> <li>Current net production of ~3,000 Boe/d (~90% oil)                             <ul style="list-style-type: none"> <li>Operational control with average WI of 44%</li> <li>Approximately 230 operated and 20 non-op wells producing from the Lower Eagle Ford, Austin Chalk, and Buda formations</li> </ul> </li> <li>Predictable PDP cash flow provides solid value for debt support in an acquisition financing</li> <li>Extensive infrastructure in place with ample takeaway capacity to facilitate further development activity</li> </ul>
<b>Significant, Low-Risk Drilling Inventory plus Additional Upside</b>	<ul style="list-style-type: none"> <li>Low-risk upside consists of significant gross operated Lower Eagle Ford drilling locations                             <ul style="list-style-type: none"> <li>Substantial running room with over half the acreage undeveloped</li> </ul> </li> <li>Completion design continues to evolve through increasing proppant intensity from 1,250 lbs/ft to over 2,300 lbs/ft                             <ul style="list-style-type: none"> <li>Approximately 50% EUR uplift realized on larger completion design</li> </ul> </li> <li>Additional formations enhance upside drilling inventory (Austin Chalk, Upper Eagle Ford, Buda, Georgetown)</li> <li>Easily implementable operational improvements identified, including meaningful cost savings from full field electrification</li> <li>Company owns ~6,580 surface acres that provide development flexibility and access to water supply</li> </ul>

### SOUTH TEXAS ACREAGE MAP



### STRATIGRAPHIC COLUMN



★ Target Formation

- Prolific Austin Chalk production in offset acreage, but largely undeveloped across EXCO's position
- Upper Eagle Ford prospective and untested for staggered / stacked development
- Buda upside consists of multi-year drilling inventory
- Recent success drilling Georgetown wells in Zavala County by CML Exploration

Typical TVD in Zavala County

# Appalachia Highlights



## Prolific Resource Potential in the Marcellus, Upper Devonian, and Utica

### OPPORTUNITY TO CAPITALIZE ON ENORMOUS GAS IN PLACE<sup>(1)</sup>

#### Immense Net Acreage Position in World-Leading Natural Gas Region

- Large, primarily operated acreage position across the Marcellus Shale<sup>(2)</sup>
  - Approximately 82,300 net acres in Pennsylvania
  - Approximately 80,600 net acres in West Virginia
- Exposure to ~40,000 prospective net acres in the Utica Shale
- Existing production base of ~26 MMcf/d with shallow declines from ~145 gross wells that are supported by in-place infrastructure
- EXCO-owned gathering system (~25 miles), including three compressor stations, in Armstrong and Centre Counties

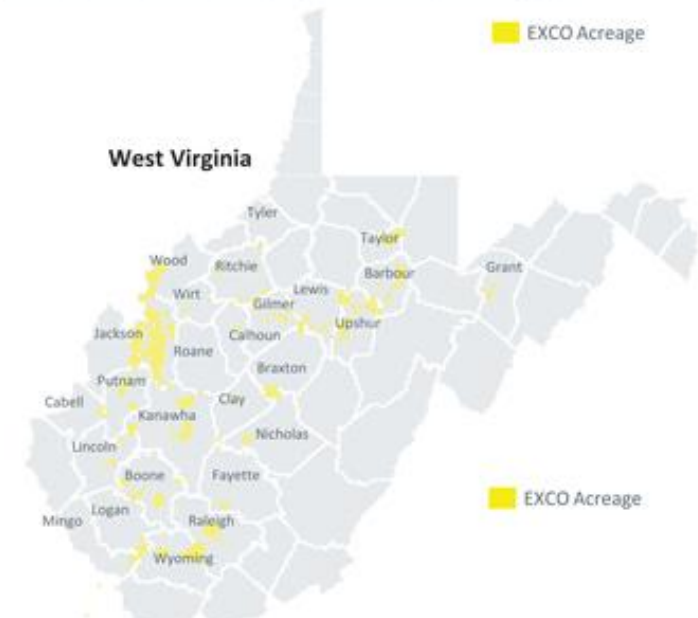
#### Significant Drilling Upside that includes Utica Deep Rights

- Primarily HBP acreage position (94%) provides control around the pace of future development activities
  - Position primarily held by third-party shallow well production
- Meaningful drilling inventory economical today; capital constraints have hindered EXCO's development efforts to-date, with most recent activity in 2014
- Utica drilling activity from offset operators (CNX and XTO) is appraising acreage in close proximity to EXCO's Utica position
- Recent advances in completion design have considerably improved economic outlook
- Upper Devonian activity progressing toward EXCO acreage

#### Infrastructure Buildout to Enhance Market Access and Economics

- Appalachian infrastructure is undergoing transformative expansion that is expected to outpace regional supply growth
  - Differentials are anticipated to improve and drive down break-even pricing
  - Over 15 Bcf/d of additional gas takeaway capacity anticipated to be added through year-end 2019<sup>(3)</sup>
- Improved take-away capacity to complement existing low-cost operating structure

### APPALACHIA ACREAGE MAP



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(2) Marcellus acreage count excludes acreage in Kentucky, Virginia, New York and certain other acreage.

(3) Based on company disclosures and research.

# Process Timing and Contact Information

- EXCO plans to conduct a two-stage sale process with indications of interest due on or around March 9, 2018
- VDR to open on or around February 12, 2018, with Management / Data Room presentations to be held in the second stage during the months of March and April
- Binding bid date, selection of Stalking Horse bidder(s), and other milestones to be dictated by sale process dynamics and court approvals

January 2018						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

February 2018						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

March 2018						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

VDR Open
Indications of Interest
Mgt / Data Room Presentations
US Federal / Company Holiday

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