

May 10, 2018



Energy XXI Gulf Coast Announces First Quarter 2018 Financial and Operational Results

HOUSTON, May 10, 2018 (GLOBE NEWSWIRE) -- Energy XXI Gulf Coast, Inc. ("EGC" or the "Company") (NASDAQ:EGC) today reported financial and operational results for the first quarter 2018. In a separate press release, the Company also announced that it has signed a term sheet for a transaction to divest its current non-core asset portfolio and related asset retirement obligations.

An updated investor presentation in conjunction with this earnings release and the proposed transaction is available on the Company's website at www.energyxxi.com under the Investor Relations section.

First Quarter 2018 Highlights and Recent Key Items:

- Produced an average of approximately 26,600 barrels of oil equivalent ("BOE") per day, of which 79% was oil, above the midpoint of guidance
- Incurred a net loss of \$33.1 million, or \$0.99 per share, which included a \$12.8 million loss on derivative financial instruments
- Generated Adjusted EBITDA of \$13.6 million, an increase of \$2.8 million from fourth quarter 2017
- Entered into discussions with the owner and lessor of the Grand Isle Gathering System ("GIGS") regarding, among other things, a possible restructuring of the GIGS lease
- Announced signing a non-binding term sheet for the proposed strategic disposition of non-core assets and related asset retirement obligations to Orinoco Natural Resources in a separate press release today
- Welcomed two new Board members - Gary Hanna (Chairman of the Board) and Gabriel L. Ellisor
- Estimated second quarter production to average 24,500 to 26,000 barrels of oil per day, due to increased downtime associated with shut-ins due to facility improvements and pipeline issues
- Provided updated results on the West Delta 31 High Tide well which is currently producing approximately 1,000 barrels of oil per day and about 2.0 million cubic feet of natural gas ("MMCF") per day, exceeding pre-drill expectations
- Drilled and completed the first well in the 2018 drilling program, the West Delta 73 McCloud well, below pre-drill capital estimates, and with first production expected in May

For the first quarter of 2018, EGC reported a net loss of \$33.1 million, or \$0.99 loss per diluted share, which included a \$12.8 million loss on derivative financial instruments. In the first quarter of 2017, the Company reported a net loss of \$64.5 million, or \$1.94 loss per diluted share, which included a \$40.8 million non-cash ceiling test impairment charge and a \$3.7 million gain on derivative financial instruments. In the fourth quarter of 2017, the Company reported a net loss of \$215.1 million, or \$6.47 loss per diluted share, which included a \$145.1 million non-cash ceiling test impairment charge and a \$33.3 million loss on financial derivative instruments.

Adjusted EBITDA totaled \$13.6 million for the first quarter 2018, an increase of \$2.8 million compared to \$10.8 million in the fourth quarter of 2017.

Adjusted EBITDA is a Non-GAAP financial measure and is described and reconciled to net loss in the attached table under "Reconciliation of Non-GAAP Measures."

Douglas E. Brooks, President and Chief Executive Officer commented "While first quarter results were in line with our prior guidance, operationally we continue to battle downtime and weather issues, in particular pipeline downtime, which reduced volumes in the first quarter and into mid-May. We are working to restore production and implement permanent solutions to our pipeline issues which should positively impact volumes and uptime in the future. We remain focused on base optimization, preventative maintenance and reducing downtime to maximize our production and increase our ability to generate EBITDA. We are encouraged by the pre-completion shows in the McCloud well, and the performance of the High Tide well. We are excited by the potential results of the remaining wells in our 2018 drilling program, in particular the two planned exploitation wells which if successful, could have a meaningful impact on our reserves and production. We are optimistic about our future potential and our ability to enhance shareholder value."

Production and Pricing

In the first quarter of 2018, the Company produced and sold approximately 26,600 net BOE per day, above the midpoint of its guidance range. EGC continued to benefit from the impact of higher realized oil prices (before the effect of derivatives) that were about 4% higher than average WTI prices during the quarter due to the positive differentials that EGC receives on its oil sales.

	Quarter Ended		
	March 31, 2018	December 31 2017	March 31, 2017
	(In thousands, except per unit amounts)		
Sales volumes per day			
Oil (MBbls)	21.1	21.3	29.1
Natural gas liquids (MBbls)	0.4	0.6	0.9
Natural gas (MMcf)	30.6	34.5	65.9
Total (MBOE)	26.6	27.6	41.0
Percent of sales volumes from oil	79%	77%	71%
Average sales price before hedging impact			

Oil per Bbl	\$	65.09	\$	59.27	\$	51.11
Natural gas liquid per Bbl		37.01		33.28		27.52
Natural gas per Mcf		3.04		2.97		3.10

When compared with the fourth quarter 2017, first quarter higher realized prices were offset by higher production downtime primarily related to continued production equipment maintenance, pipeline shut-ins, facility-related unscheduled downtime, severe winter weather and natural decline. Preventative maintenance continues to be an operating priority to ensure the safety of employees, reduce environmental impact, and improve production uptime.

In the first quarter of 2018 and into May, EGC experienced increased downtime associated with temporary shut-ins due to facility improvements as well as pipeline problems. April production was reduced by approximately 4,800 BOE per day from these shut-ins. As a result, second quarter production is expected to average 24,500 to 26,000 BOE per day. In early May, we began restoration of production through the affected pipelines and with the continued strong production from the High Tide well, current daily production is averaging about 27,000 BOE per day. The Company had previously budgeted funds to fully replace one of these pipelines that has faced ongoing issues at West Delta and is currently working on its timely replacement in the fall of 2018 to mitigate future downtime.

Costs and Expenses

Total lease operating expenses (“LOE”) in the first quarter of 2018 were \$82.0 million, or \$34.22 per BOE, which consisted of \$74.3 million in direct lease operating expense, \$2.5 million in workovers and \$5.2 million in insurance expense. Total LOE for the first quarter of 2017 was \$77.3 million, or \$20.96 per BOE, and in the fourth quarter of 2017 was \$80.9 million, or \$31.90 per BOE. Lease operating expense increased year-over-year primarily due to increased well activity, renewed maintenance initiatives and severe weather-related costs.

Gathering and Transportation (“G&T”) expense for the first quarter of 2018 totaled \$4.1 million, or \$1.69 per BOE, compared to \$11.2 million, or \$3.04 per BOE, in first quarter 2017 and \$10.2 million, or \$4.02 per BOE, in fourth quarter 2017. EGC did not receive any additional refunds from the Office of Natural Resources Revenue (“ONRR”) during the quarter. The decline in G&T expense in the first quarter of 2018 compared with prior quarters was primarily due to timing of maintenance costs that are now forecasted to occur in the second half of 2018, as well as reduced marketing costs due to lower production volumes.

First quarter 2018 Pipeline Facility Fee expense was \$10.5 million (\$4.38 per BOE), compared to \$10.5 million (\$4.14 per BOE) in the fourth quarter of 2017. Given the quality of the long-term reserves behind GIGS, CorEnergy Infrastructure Trust, Inc. (“CorEnergy”), the owner and lessor of GIGS that transmits much of EGC’s core area production, has entered into discussions with EGC regarding among other things, a potential lease restructuring, that preserve the long-term value of GIGS and seek to support EGC’s further recovery efforts and future success. There can be no assurance that any such lease restructuring transaction will be consummated or, if consummated,

when that transaction will occur or on what terms.

General and administrative (“G&A”) expense in the first quarter of 2018 was \$15.1 million, or \$6.31 per BOE, compared to \$21.6 million, or \$5.86 per BOE, in the first quarter 2017. G&A includes non-cash compensation costs of \$2.8 million (\$1.15 per BOE) in the first quarter 2018 compared with \$0.9 million (\$0.24 per BOE) in the first quarter 2017. For the fourth quarter of 2017, G&A expense totaled \$14.7 million, or \$5.80 per BOE. EGC continues to benefit from lower G&A costs as a result of cost reduction initiatives.

Depreciation, depletion and amortization (“DD&A”) expense was \$27.4 million, or \$11.44 per BOE, compared to \$41.9 million, or \$11.36 per BOE, in the first quarter of 2017. Fourth quarter 2017 DD&A was \$33.4 million, or \$13.18 per BOE.

Accretion of asset retirement obligation was \$11.1 million during the first quarter of 2018, compared to \$13.1 million in the first quarter 2017. Fourth quarter 2017 expense was \$10.0 million, or \$3.93 per BOE.

EGC recorded no income tax expense or benefit during the first quarter 2018 or during prior comparable periods.

Commodity Hedging

In April 2018 with no cash outlay, EGC unwound 3,000 BOPD fixed price swap contracts benchmarked to NYMEX-WTI for the period of April 2018 to June 2018 and added 3,000 BOPD costless collars benchmarked to ICE Brent with a floor price of \$60.00 and a ceiling price of \$82.00 for the same period. In addition, the Company entered into a fixed price swap contract benchmarked to ICE Brent to hedge 3,000 BOPD for the period of January 2019 to December 2019 with a contract price of \$61.00. At the end of the first quarter of 2018, EGC had fixed price swap contracts benchmarked to NYMEX-WTI to hedge a total of 8,000 BOPD of production for the remainder of the 2018 with an average fixed price swap of \$50.68, and fixed price swap contracts benchmarked to LLS-Argus for 2,000 BOPD with an average fixed price of \$55.45 for the period of April to June 2018, and 2,500 BOPD fixed price swap contracts benchmarked to ICE-Brent with an average fixed price of \$56.59 for the period April to June 2018. EGC does not have any hedges in place on natural gas production.

Operational Update and Capital Expenditure Program

During the first quarter of 2018, the Company incurred capital costs totaling \$21.8 million of which \$4.1 million was related to drilling, development and recompletion activities, \$12.8 million related to plugging and abandonment (“P&A”) and \$4.9 million related to capitalized G&A and other. A delay in the arrival of the rig contracted for the 2018 drilling program reduced anticipated first quarter capital expenditures. Capital expenditures for the fourth quarter of 2017 totaled \$26.9 million, of which \$10.6 million was spent on drilling, development and recompletion activities, \$13.3 million on P&A and \$3.0 million on capitalized G&A and other.

EGC spud and successfully completed the first well of the 2018 drilling program in April, the West Delta 73 C-27 McCloud, a development well location, which is expected to begin production in May. The West Delta 74 C-41ST Cato, also a development well, was spud in early May, and is currently drilling to a total depth of 11,400 feet. After completion of the

Cato well, the Company plans to recomplete the D-20 ST well in the same field. As previously reported, the High Tide well, which was spud in June 2017, transitioned to oil earlier this year and is currently producing greater than 1,000 barrels of oil and 2.1 MMCF per day. EGC has a 100% working interest in all of the wells mentioned above.

Capital expenditures for the second quarter are expected to be in the range of \$50 million to \$60 million, of which \$22 million to \$26 million is related to drilling and recompletion activities, and \$26 million to \$32 million on P&A. An increase in capital costs in the second quarter is anticipated due to the increase in drilling and completion activities, as well as additional P&A activities. Capital expenditures for 2018 remain within the expected range of \$145 million to \$175 million, which include \$55 million to \$65 million related to drilling six new wells, \$10 million to \$15 million for planned facility improvements, and \$8 million to \$10 million for seven to nine recompletions, and \$50 million to \$60 million for P&A activities. The Company continues to evaluate its inventory to high grade its program that would have the most meaningful impact to current production and arrest natural decline.

Balance Sheet and Liquidity

At March 31, 2018, EGC had approximately \$64 million in borrowings and \$201.5 million in letters of credit issued under its Exit Credit Facility and remained in compliance with the financial covenants under that facility. During the quarter, the Company made a prepayment of \$10 million toward the balance of the Exit Term Loan portion of its credit facility. Liquidity at March 31, 2018 totaled approximately \$124.6 million, which consists of cash and cash equivalents totaling \$112.1 million and \$12.5 million in borrowing capacity available under certain conditions.

Conference Call

The Company will host a conference call to discuss its first quarter operating results and the proposed transaction to divest non-core assets this morning, Thursday, May 10, 2018, at 8:00 a.m. Central Time (9:00 a.m. Eastern Time). Interested parties may participate by dialing (877) 794-3620. International parties may dial (631) 813-4724. The confirmation code is 1249348. This call will also be webcast on EGC's website at www.energyxxi.com. A replay of the call will be archived and available on the website shortly after the live call.

Non-GAAP Measures

Adjusted EBITDA is a supplemental non-GAAP financial measure. Adjusted EBITDA is not a measure of net income or cash flows as determined by United States Generally Accepted Accounting Principles ("U.S. GAAP"). EGC believes that Adjusted EBITDA is useful because it allows EGC to more effectively evaluate its operating performance and compare the results of its operations from period to period without regard to its financing methods or capital structure. EGC excludes items such as property and inventory impairments, asset retirement obligation accretion, unrealized derivative gains and losses, non-cash share-based compensation expense, non-cash deferred rent expense and restructuring and severance expense from the calculation of Adjusted EBITDA. Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net income or cash flows from operating activities as determined in accordance with U.S. GAAP or as an indicator of its operating performance or liquidity. EGC's computations of Adjusted EBITDA may not be comparable to other similarly titled measures of other

companies.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, including those relating to the intent, beliefs, plans, or expectations of EGC are based upon current expectations and are subject to a number of risks, uncertainties, and assumptions that could cause actual results to differ materially from the projections, anticipated results or other expectations expressed. It is not possible to predict or identify all such factors and the following list of factors should not be considered a complete statement of all potential risks and uncertainties, including, but not limited to: (i) our ability to maintain sufficient liquidity and/or obtain adequate additional financing necessary to fund our operations, capital expenditures and to execute our business plan, develop our proved undeveloped reserves within five years and to meet our other obligations, including plugging and abandonment and decommissioning obligations; (ii) our new capital structure and the adoption of fresh start accounting, including the risk that assumptions and factors used in estimating enterprise value could vary significantly from current or future estimates; (iii) our future financial condition, results of operations, revenues, expenses and cash flow; (iv) our current or future levels of indebtedness, liquidity, compliance with financial covenants and our ability to continue as a going concern; (v) the effects of the departure of our senior leaders and the hiring of a new senior management team on our employees, suppliers, regulators and business counterparties; (vi) recent changes (including announced future changes) in the composition of our board of directors; (vii) our inability to retain and attract key personnel; (viii) our ability to post collateral for current or future bonds or comply with any new regulations or Notices to Lessees and Operator; (ix) our ability to comply with covenants under the three-year secured credit facility; (x) changes in our business strategy; (xi) sustained or further declines in the prices we receive for our oil and natural gas production; and (xii) other risks and uncertainties. These risks and uncertainties could cause actual results, including project plans and related expenditures and resource recoveries, to differ materially from those described in the forward-looking statements. For a more detailed discussion of risk factors, please see the risk factors discussed in EGC's periodic reports filed with the SEC. While EGC makes these statements and projections in good faith, EGC assumes no obligation and expressly disclaims any duty to update the information contained herein except as required by law.

About the Company

Energy XXI Gulf Coast, Inc. (EGC) is an exploration and production company headquartered in Houston, Texas that is engaged in the development, exploitation and acquisition of oil and natural gas properties in conventional assets in the U.S. Gulf Coast region, both offshore in the Gulf of Mexico and onshore in Louisiana and Texas. To learn more, visit EGC's website at www.energyxxi.com.

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ENERGY XXI GULF COAST, INC.
CONSOLIDATED BALANCE SHEETS
(In Thousands, except share information)

	March 31, 2018	December 31, 2017
ASSETS	(Unaudited)	
Current Assets		
Cash and cash equivalents	\$ 112,062	\$ 151,729
Accounts receivable		
Oil and natural gas sales	54,662	55,598
Joint interest billings, net	5,764	6,336
Other	15,290	15,726
Prepaid expenses and other current assets	12,147	21,602
Restricted cash	6,409	6,392
Total Current Assets	<u>206,334</u>	<u>257,383</u>
Property and Equipment		
Oil and natural gas properties, net - full cost method of accounting, including \$195.9 million and \$200.2 million of unevaluated properties not being amortized at March 31, 2018 and December 31, 2017, respectively	759,483	764,922
Other property and equipment, net	9,157	10,120
Total Property and Equipment, net of accumulated depreciation, depletion, amortization and impairment	<u>768,640</u>	<u>775,042</u>
Other Assets		
Restricted cash	25,758	25,712
Other assets	24,303	18,845
Total Other Assets	<u>50,061</u>	<u>44,557</u>
Total Assets	<u>\$ 1,025,035</u>	<u>\$ 1,076,982</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 66,769	\$ 85,122
Accrued liabilities	41,332	45,494
Asset retirement obligations	53,415	51,398
Derivative financial instruments	32,354	32,567
Current maturities of long-term debt	5,571	21
Total Current Liabilities	<u>199,441</u>	<u>214,602</u>
Long-term debt, less current maturities	58,407	73,952
Asset retirement obligations	620,105	613,453

Other liabilities	12,673	10,783
Total Liabilities	<u>890,626</u>	<u>912,790</u>
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized and no shares outstanding at March 31, 2018 and December 31, 2017	-	-
Common stock, \$0.01 par value, 100,000,000 shares authorized and 33,268,478 and 33,254,963 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively	333	333
Additional paid-in capital	913,828	911,144
Accumulated deficit	<u>(779,752)</u>	<u>(747,285)</u>
Total Stockholders' Equity	<u>134,409</u>	<u>164,192</u>
Total Liabilities and Stockholders' Equity	<u>\$ 1,025,035</u>	<u>\$ 1,076,982</u>

ENERGY XXI GULF COAST, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands, except per share information)
(Unaudited)

	Three Months Ended March 31, 2018	Three Months Ended December 31, 2017	Three Months Ended March 31, 2017
Revenues			
Oil sales	\$ 123,788	\$ 115,948	\$ 133,793
Natural gas liquids sales	1,343	1,736	2,227
Natural gas sales	8,382	9,423	18,368
Other revenue	1,492	-	-
(Loss) gain on derivative financial instruments	<u>(12,834)</u>	<u>(33,269)</u>	<u>3,698</u>
Total Revenues	<u>122,171</u>	<u>93,838</u>	<u>158,086</u>
Costs and Expenses			
Lease operating	82,022	80,927	77,267
Production taxes	1,206	163	239
Gathering and transportation	4,056	10,207	11,222
Pipeline facility fee	10,494	10,494	10,494
Depreciation, depletion and amortization	27,411	33,439	41,896
Accretion of asset retirement obligations	11,118	9,962	13,081
Impairment of oil and natural gas properties	-	145,086	40,774
General and administrative expense	15,132	14,711	21,604

Reorganization items	236	311	2,244
Total Costs and Expenses	<u>151,675</u>	<u>305,300</u>	<u>218,821</u>
Operating Loss	<u>(29,504)</u>	<u>(211,462)</u>	<u>(60,735)</u>
Other Income (Expense)			
Other income, net	143	100	22
Interest expense	<u>(3,694)</u>	<u>(3,707)</u>	<u>(3,834)</u>
Total Other Expense, net	<u>(3,551)</u>	<u>(3,607)</u>	<u>(3,812)</u>
Loss Before Income Taxes	<u>(33,055)</u>	<u>(215,069)</u>	<u>(64,547)</u>
Income Tax Benefit	<u>-</u>	<u>-</u>	<u>-</u>
Net Loss	<u><u>\$ (33,055)</u></u>	<u><u>\$ (215,069)</u></u>	<u><u>\$ (64,547)</u></u>
Loss per Share			
Basic and Diluted	\$ (0.99)	\$ (6.47)	\$ (1.94)
Weighted Average Number of Common Shares Outstanding			
Basic and Diluted	33,296	33,245	33,228

ENERGY XXI GULF COAST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

	Three Months Ended	Three Months Ended	Three Months Ended
	March 31, 2018	December 31, 2017	March 31, 2017
Cash Flows From Operating Activities			
Net loss	\$ (33,055)	\$ (215,069)	\$ (64,547)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation, depletion and amortization	27,411	33,439	41,896
Impairment of oil and natural gas properties	-	145,086	40,774
Change in fair value of derivative financial instruments	(213)	28,691	(3,409)
Accretion of asset retirement obligations	11,118	9,962	13,081
Amortization of debt issuance costs	5	6	-
Deferred rent	1,930	1,930	2,015
Provision for loss on accounts receivable	-	300	-

Stock-based compensation	2,758	2,745	852
Changes in operating assets and liabilities			
Accounts receivable	1,944	(4,720)	15,555
Prepaid expenses and other assets	3,680	(6,636)	6,969
Settlement of asset retirement obligations	(18,804)	(16,036)	(9,316)
Accounts payable, accrued liabilities and other	(13,574)	12,127	(57,572)
Net Cash Used in Operating Activities	<u>(16,800)</u>	<u>(8,175)</u>	<u>(13,702)</u>
Cash Flows from Investing Activities			
Capital expenditures	(12,977)	(16,196)	(19,105)
Insurance payments received	-	-	2,051
Proceeds from the sale of other property and equipment	250	2,793	1,269
Net Cash Used in Investing Activities	<u>(12,727)</u>	<u>(13,403)</u>	<u>(15,785)</u>
Cash Flows from Financing Activities			
Payments on long-term debt	(10,002)	(6)	(602)
Other	(75)	-	-
Net Cash Used in Financing Activities	<u>(10,077)</u>	<u>(6)</u>	<u>(602)</u>
Net Decrease in Cash, Cash Equivalents and Restricted Cash	(39,604)	(21,584)	(30,089)
Cash, Cash Equivalents and Restricted Cash, beginning of period	183,833	205,417	223,288
Cash, Cash Equivalents and Restricted Cash, end of period	<u>\$ 144,229</u>	<u>\$ 183,833</u>	<u>\$ 193,199</u>

ENERGY XXI GULF COAST, INC.
RECONCILIATION OF NON-GAAP MEASURES
(In Thousands, except per share information)
(Unaudited)

	<u>Three Months Ended</u> <u>March 31,</u> <u>2018</u>	<u>Three Months Ended</u> <u>December 31,</u> <u>2017</u>	<u>Three Months Ended</u> <u>March 31,</u> <u>2017</u>
Net loss	\$ (33,055)	\$ (215,069)	\$ (64,547)
Interest expense	3,694	3,707	3,834
Depreciation, depletion and amortization	27,411	33,439	41,896
Impairment of oil and natural gas properties	-	145,086	40,774
Accretion of asset retirement obligations	11,118	9,962	13,081
Change in fair value of derivative financial instruments	(213)	28,691	(3,409)

Non-cash stock-based compensation	2,758	2,745	852
Deferred rent ⁽¹⁾	1,930	1,930	2,015
Severance costs	-	325	6,200
Adjusted EBITDA	<u>\$ 13,643</u>	<u>\$ 10,816</u>	<u>\$ 40,696</u>

(1) The deferred rent of approximately \$1.9 million, \$1.9 million and \$2.0 million for the three months ended March 31, 2018, December 31, 2017 and March 31, 2017, respectively, is the non-cash portion of rent which reflects the extent to which our GAAP straight-line rent expense recognized exceeds our cash rent payments.

Operational Information

Operating Highlights	Quarter Ended		
	March 31, 2018	December 31 2017	March 31, 2017
	(In thousands, except per unit amounts)		
Operating revenues			
Oil sales	\$ 123,788	\$ 115,948	\$ 133,793
Natural gas liquids sales	1,343	1,736	2,227
Natural gas sales	8,382	9,423	18,368
Other revenue	1,492	-	-
(Loss) gain on derivative financial instruments	(12,834)	(33,269)	3,698
Total revenues	<u>122,171</u>	<u>93,838</u>	<u>158,086</u>
Percentage of oil revenues prior to (loss) gain on derivative financial instruments	92%	91%	87%
Operating expenses			
Lease operating expense			
Insurance expense	5,195	5,121	6,250
Workovers	2,524	3,023	2,565
Direct lease operating expense	74,303	72,783	68,452
Total lease operating expense	<u>82,022</u>	<u>80,927</u>	<u>77,267</u>
Production taxes	1,206	163	239
Gathering and transportation	4,056	10,207	11,222
Pipeline facility fee	10,494	10,494	10,494
Depreciation, depletion and amortization	27,411	33,439	41,896
Accretion of asset retirement obligations	11,118	9,962	13,081
Impairment of oil and natural gas properties	-	145,086	40,774
General and administrative	15,132	14,711	21,604
Reorganization items	236	311	2,244

Total operating expenses	151,675	305,300	218,821
Operating loss	\$ (29,504)	\$ (211,462)	\$ (60,735)
Sales volumes per day			
Oil (MBbls)	21.1	21.3	29.1
Natural gas liquids (MBbls)	0.4	0.6	0.9
Natural gas (MMcf)	30.6	34.5	65.9
Total (MBOE)	26.6	27.6	41.0
Percent of sales volumes from oil	79%	77%	71%
Average sales price			
Oil per Bbl	\$ 65.09	\$ 59.27	\$ 51.11
Natural gas liquid per Bbl	37.01	33.28	27.52
Natural gas per Mcf	3.04	2.97	3.10
Other revenue per BOE	0.62	-	-
(Loss) gain on derivative financial instruments per BOE	(5.35)	(13.12)	1.00
Total revenues per BOE	50.97	36.99	42.88
Operating expenses per BOE			
Lease operating expense			
Insurance expense	2.17	2.02	1.70
Workovers	1.05	1.19	0.70
Direct lease operating expense	31.00	28.69	18.56
Total lease operating expense per BOE	34.22	31.90	20.96
Production taxes	0.50	0.06	0.06
Gathering and transportation	1.69	4.02	3.04
Pipeline facility fee	4.38	4.14	2.85
Depreciation, depletion and amortization	11.44	13.18	11.36
Accretion of asset retirement obligations	4.64	3.93	3.55
Impairment of oil and natural gas properties	-	57.20	11.06
General and administrative	6.31	5.80	5.86
Reorganization items	0.10	0.12	0.61
Total operating expenses per BOE	63.28	120.35	59.35
Operating loss per BOE	\$ (12.31)	\$ (83.36)	\$ (16.47)



Source: Energy XXI Gulf Coast