

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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<i>In re:</i>	:	Chapter 11
	:	
ENDEAVOUR OPERATING CORPORATION, et al.,¹	:	Case No. 14-12308 (KJC)
	:	
Debtors.	:	(Jointly Administered)
	:	
	:	Hearing Date: August 24, 2015 at 1:00 p.m. (ET)
	:	Objection Deadline for all Parties other than Minority Noteholders: August 17, 2015 at 4:00 p.m. (ET)
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-----	X	Supp. Obj. Deadline for Minority Noteholders only: September 14, 2015 at 4:00 p.m. (ET)
		Supp. Hearing (if necessary): To Be Determined

**MOTION OF THE DEBTORS FOR ENTRY OF (I) AN INTERIM AND FINAL ORDER
PURSUANT TO SECTIONS 105(a) AND 363(b), (f), (k) AND (m) OF THE
BANKRUPTCY CODE AND BANKRUPTCY RULES 2002, 6004, AND 9019
APPROVING THE CREDIT BID ASSET PURCHASE AGREEMENT AMONG THE
DEBTORS, FIRST PRIORITY NOTES COLLATERAL AGENT, AND THE CREDIT
BID NOTEHOLDERS, THE SETTLEMENT AGREEMENT BETWEEN AND AMONG
THE DEBTORS, FIRST PRIORITY NOTEHOLDERS, AND AD HOC GROUP
OF EEUK TERM LOAN LENDERS, RELEASE OF ANY CLAIMS AGAINST EEUK
TERM LOAN LENDERS, AND MODIFICATION OF DEBTORS' SERVICES
AGREEMENTS AND (II) AN ORDER PURSUANT TO SECTION 105(a)
OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 9024
APPROVING MODIFICATION OF THE ADEQUATE PROTECTION ORDER**

Endeavour Operating Corporation and its above-captioned debtor affiliates, as
debtors and debtors in possession (collectively, the "*Debtors*"), respectfully represent:

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor's taxpayer identification number are as follows: Endeavour Operating Corporation (6552); Endeavour International Corporation (8389); Endeavour Colorado Corporation (0067); END Management Company (7578); Endeavour Energy New Ventures Inc. (7563); Endeavour Energy Luxembourg S.à r.l. (2113). The Debtors' principal offices are located at 811 Main Street, Suite 2100, Houston, Texas 77002.



Preliminary Statement²

1. The Debtors filed these chapter 11 cases with the expectation that they would be in a position to consummate a chapter 11 plan in relatively short order. On the Petition Date, the Debtors entered chapter 11 with a restructuring support agreement in hand that bound a sufficient number of its major creditors in each class to effectively ensure a smooth path to emergence. Several weeks into these cases, however, as oil and gas prices tumbled, the Debtors began to see their planned emergence unravel. Only a few days before the confirmation hearing, the Debtors determined their proposed chapter 11 plan was no longer feasible given the significant decline in oil and gas prices and the corresponding negative impact of such decline on their projected cash flows and business plan.

2. Despite withdrawing their chapter 11 plan, the Debtors remained hopeful that they would, in time and after negotiations with key creditors, find an alternative path to emerge from chapter 11. Whether through a modified chapter 11 plan or alternative means, the Debtors were committed to finding a potential solution to address their changed circumstances. While they engaged in continuing discussions with certain creditors, and partly as a result of such discussions, the Debtors determined that it would be in the best interest of their creditors and estates to pursue a sale of their U.S. assets (the “*Assets*”).

3. As the best alternative under the circumstances of these estates, the Debtors have negotiated a transaction with the two creditor groups most incentivized to fund their exit from chapter 11 – the Credit Bid Noteholders and Ad Hoc Group of EEUK Term Loan Lenders. By this Motion, the Debtors seek authority to enter into a credit bid transaction (the “*Credit Bid Transaction*”) with these groups that will fund payment of certain of their

² Capitalized terms used in this Motion shall have the meanings subsequently ascribed to such terms in the Motion.

administrative expenses, provide an orderly wind-down of their affairs, provide for the ongoing operation of the North Sea operations, and lead to the dismissal of these chapter 11 cases and the dissolution of the Debtors.

4. Together with the sale of the Debtors' U.S. oil and gas properties, the Credit Bid Transaction will dispose of the assets of these estates and provide the means for ending these cases. Contemporaneously herewith, the Debtors have filed the *Motion of the Debtors for Entry of an Order Pursuant to Sections 105(a), 305(a), and 1112(b) of the Bankruptcy Code and Bankruptcy Rule 1017 Authorizing Dismissal of the Debtors' Cases Under Certification of Counsel* to effectuate the dismissal of their chapter 11 cases after consummation of the Credit Bid Transaction contemplated by this motion. Along with the dismissal of the Debtors' chapter 11 cases, the Credit Bid Transaction provides an orderly, efficient solution for maximizing the recovery of as many creditors as possible under the circumstances.

Jurisdiction and Venue

5. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated as of February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b), and pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware (the "**Local Rules**"), the Debtors consent to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

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

Relief Requested

7. Pursuant to sections 105(a) and 363(b), (f), (k) and (m) of title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 2002, 6004, and 9019 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), Local Rules 2002-1 and 6004-1, and the *Order Approving (A) Bid Procedures, Including Procedures for Selection of Stalking Horse Purchasers, (B) Procedures for Assumption and Assignment of Certain Executory Contracts and Unexpired Leases and Related Notices, (C) Notice of Auction, Stalking Horse Hearing and Sale Hearing, and (D) Related Relief* (D.I. 668) (the “**Bid Procedures Order**”), the Debtors request entry of an interim sale order (the “**Interim Sale Order**”) and final sale order (the “**Final Sale Order**”), substantially in the form attached hereto as **Exhibit A**, approving (i) the Asset Purchase Agreement (the “**Credit Bid APA**”), dated as of August 3, 2015, by and among Wells Fargo Bank, National Association, as Trustee and Collateral Agent on behalf of the First Priority Noteholders (in its capacities as Trustee and Collateral Agent, the “**First Priority Notes Collateral Agent**”), Endeavour Operating Corporation (“**EOC**”), as Seller, Endeavour International Corporation (“**EIC**”), and certain of the holders of the Notes due March 2018 (the “**First Priority Notes**,” all of such holders being referred to herein as the “**First Priority Noteholders**”), specifically, Apollo Capital Management, L.P., Aristeia Capital LLC, and Avenue Investments, L.P. (collectively, the “**Credit Bid Noteholders**”) solely with respect to Articles IX and XII thereof, for the purchase of the note (the “**Intercompany Note**”) issued pursuant to that certain Inter-Company Loan Agreement, dated May 31, 2012, by and between EOC, as lender, and Endeavour Energy UK Limited (“**EEUK**”), as borrower, and 100% of the issued and outstanding capital stock of Endeavour International Holding B.V. (“**EIHBV**,” the issued and outstanding capital stock of which shall be the “**EIHBV Equity**”); (ii) that certain Settlement Agreement (the “**Settlement Agreement**”), dated as of August 3, 2015, between and

among EIC, EOC, and Endeavour Colorado Corporation, the Credit Bid Noteholders, and certain of the lenders under the EEUK Credit Agreement (collectively, the “*Ad Hoc Group of EEUK Term Loan Lenders*” or “*Ad Hoc Group*”); (iii) the release of the Debtors’ claims, if any, against the EEUK Term Loan Lenders (as defined herein); (iv) the Amendment to that certain Services Agreement, dated as of January 1, 2014, by and between EOC and EEUK (the “*EOC-EEUK Services Agreement*”), and (v) the Amendment to that certain Services Agreement, dated as of January 1, 2014, by and between Endeavour International Corporation (“*EIC*”) and EEUK (the “*EIC-EEUK Services Agreement*,” together with the EOC-EEUK Services Agreement, the “*Management Services Agreements*”).

8. The Credit Bid APA sets forth the terms governing (i) the credit bid purchase of the Intercompany Note and EIHBV Equity and transfer of ownership to a new company (“*Purchaser*”), which shall be owned by the First Priority Noteholders and the EEUK Term Loan Lenders, (ii) modification of the *Stipulated Order Granting (I) Adequate Protection to the Prepetition Noteholders and (II) Related Relief Pursuant to Sections 105(a), 361, 362, 363(e), and 507(b) of the Bankruptcy Code* (D.I. 166) (the “*Adequate Protection Order*”) and funding of a wind down budget to pay ordinary course administrative expenses and post-dismissal dissolution costs, and (iii) dismissal upon the closing of the Debtors’ U.S. asset sale and satisfaction of all known, undisputed, and valid ordinary course administrative expenses.

9. The Debtors also hereby request, pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9024, entry of an order (the “*Modification Order*”) modifying the Adequate Protection Order, substantially in the form attached hereto as **Exhibit B**.

10. By this Motion, the Debtors seek approval of the following orders and attachments, the forms of which are annexed hereto:

<u>Index of Exhibits</u>	
Interim Sale Order	Exhibit A
Credit Bid APA	Exhibit A – Attachment 1
Settlement Agreement	Exhibit A – Attachment 2
Amendment to the EOC-EEUK Services Agreement	Exhibit A – Attachment 3
Amendment to the EIC-EEUK Services Agreement	Exhibit A – Attachment 4
Modification Order	Exhibit B

Background

11. On October 10, 2014 (the “*Petition Date*”), each of the Debtors commenced a voluntary case under chapter 11 of the Bankruptcy Code in this Court. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

12. The Debtors’ chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1.

13. On December 11, 2014, the United States Trustee for the District of Delaware (the “*U.S. Trustee*”) appointed the Official Committee of Unsecured Creditors (the “*Committee*”).

The Debtors’ Businesses

14. The Debtors, together with their non-debtor affiliates, comprise an independent oil and gas company engaged in the acquisition, exploration and development of

energy reserves and resources onshore in the United States (“U.S.”) and offshore in the United Kingdom (“U.K.”) North Sea. The Debtors manage their domestic and overseas businesses from their headquarters in Houston, Texas. As reflected in Endeavour International Corporation’s most recent 10-K, as of the end of 2014, the U.S.-based businesses and assets include exploration licenses and/or producing properties located in Colorado, Louisiana, Montana, New Mexico, Pennsylvania and Texas, and comprised approximately 18% of their proven oil and gas reserves. The U.K.-based businesses and assets include exploration licenses and producing properties in the North Sea that, as of the end of 2014, comprised the remaining 82% of their proven oil and gas reserves. Only certain of the U.S.-based entities and one non-operating foreign entity are Debtors in these proceedings. The Debtors’ other foreign entities, which encompass their U.K.-based businesses, are not debtors in these cases and are continuing to conduct their businesses in the ordinary course.

15. Additional information about the Debtors’ businesses, capital structure and the circumstances leading to the commencement of these chapter 11 cases can be found in the *Declaration of William L. Transier in Support of the Debtors’ Chapter 11 Petitions and Request for First Day Relief* (D.I. 12), filed on the Petition Date.

The U.S. Sale and U.K. Marketing Processes

16. On April 29, 2015, the Debtors filed the *Motion for (I) Order Approving (A) Bid Procedures, Including Procedures for Selection of Stalking Horse Purchasers, (B) Procedures for Assumption and Assignment of Certain Executory Contracts and Unexpired Leases and Related Notices, (C) Notice of Auction, Stalking Horse Hearing and Sale Hearing, and (D) Related Relief and (II) Order (A) Approving the Sale of Substantially All of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances and Other Interests Pursuant to Bankruptcy Code Sections 105, 363(b), (f), and (m), (B) Approving Assumption, Assignment and*

Sale of Certain Executory Contracts and Unexpired Leases Pursuant to Bankruptcy Code Sections 363 and 365 and Related Cure Amounts, and (C) Granting Related Relief (D.I. 600) (the “*Sale Motion*”), seeking entry of an order approving, *inter alia*, the sale of all or part of the Assets free and clear of all liens, claims, encumbrances, and other interests in one or more transactions (the “*Sale*”). The EIHBV Equity and the Intercompany Note were among the Assets marketed. On May 20, 2015, the Court approved the Debtors’ proposed bid procedures and established August 26, 2015 as the date of the sale hearing (which date was later moved to August 24, 2015) (the “*Hearing Date*”).

17. Around that time and in furtherance of the same goal to maximize the value of their assets, certain non-debtor affiliates began to explore restructuring alternatives, including the commencement of a separate marketing process in the U.K. for the sale of substantially all of their U.K.-based oil and gas assets (the “*U.K. Assets*”). Subsequently, on June 1, 2015, EEUK commenced an out-of-court marketing process for the U.K. Assets.

Negotiations with the Credit Bid Noteholders and Ad Hoc Group

18. The Debtors believe that they are unable to confirm a chapter 11 plan because they do not have sufficient funds to pay all their administrative expenses in full under a chapter 11 plan. *See* 11 U.S.C. § 1129(a)(2). The Debtors currently anticipate a cash shortfall of approximately \$1.5 million (the “*Wind Down Shortfall*”) through the end of October 31, 2015 after estimated ordinary course costs of operating the Debtors’ businesses, winding down and dissolving the Debtors, estate professional fees, and, solely in the event that the Closing occurs, certain of the fees of the First Priority Noteholders’ advisors.³ The Debtors’ cash flow

³ The Debtors’ cash flow projections assume that the Debtors will pay Blackstone Advisory Services, L.P. \$4 million in restructuring fees and that the sale proceeds, net of direct sale costs, will be distributed to secured creditors. *See Order Authorizing Debtors to Employ and Retain Blackstone Advisory Partners L.P. as Financial Advisor to the Debtors Nunc Pro Tunc to the Petition Date* (D.I. 168); *see also Declaration of David C. Baggett in*

projections include payments from EEUK on account of services provided by the Debtors to EEUK under the Management Services Agreements and reimbursement by EEUK of certain EEUK insurance obligations paid for by the Debtors. The Debtors estimate that EEUK will pay approximately \$3.4 million more to the Debtors for services rendered and on account of reimbursement of insurance obligations through October 31, 2015. Should the Debtors continue to operate their estates and provide services to EEUK past October 31, 2015, EEUK will continue to make monthly payments to the Debtors under the Management Services Agreements.

19. As an alternative to a chapter 11 plan, certain of the Debtors have entered into the Credit Bid APA and the Settlement Agreement. The transactions contemplated thereunder will fund the Debtors' Wind Down Shortfall, modify the Adequate Protection Order to permit payment of all ordinary course administrative expenses, and provide for the orderly wind down of the Debtors' chapter 11 cases prior to the dismissal of these cases. Under the circumstances, the Credit Bid APA and Settlement Agreement represent the best alternative for the Debtors and their estates. They provide the Debtors the funding needed to exit chapter 11 in an orderly manner while providing that the creditors who have provided postpetition services that benefit the Debtors' businesses are paid. In addition, the Credit Bid APA and Settlement Agreement facilitate the Debtors' orderly sale of the EIHBV Equity and the Intercompany Note to Purchaser for the benefit of the First Priority Noteholders and the EEUK Term Loan Lenders, and the amendment of the EEUK Credit Agreement to provide Purchaser and its subsidiaries,

Support of Application of Debtors for Authority to Expand the Scope of Retention of Blackstone Advisory Partners L.P. as Financial Advisor to the Debtors Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code, Bankruptcy Rule 2014, and Local Rule 2014-1 (D.I. 661); Order Authorizing Debtors to Expand the Scope of Retention of Blackstone Advisory Partners L.P. as Financial Advisor to the Debtors Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code, Bankruptcy Rule 2014, and Local Rule 2014-1 (D.I. 669).

including EEUK, adequate financial headroom to continue operating without fear of an imminent covenant breach.

20. Significantly, as a result of the decline in the value of the Debtors' assets since the Petition Date, the Debtors believe that the First Priority Notes Collateral Agent holds a super-priority administrative expense claim pursuant to the Adequate Protection Order in the order of magnitude of hundreds of millions of dollars. Regardless of the exact value of such super-priority administrative expense claim, the Debtors are unable to satisfy this super-priority administrative expense claim and confirm a chapter 11 plan.

21. Throughout the U.S. sale process and the U.K. marketing process, the Debtors have engaged the Credit Bid Noteholders and the Ad Hoc Group to craft a solution for finishing these chapter 11 cases. The Debtors have focused on these two creditor groups as most incentivized to provide the Debtors capital needed to fund an exit from these chapter 11 cases.

The Credit Bid APA and Settlement Agreement⁴

22. Pursuant to Local Rule 6004-1, the salient terms of the Credit Bid APA and the Sale Order are as follows:

- a. **Assets to Be Sold**
The Debtors will sell the Intercompany Note and the EIHBV Equity pursuant to the Credit Bid APA.
- b. **Purchaser**
The Debtors shall sell, transfer, and assign the Intercompany Note and the EIHBV Equity to the Purchaser, which shall be owned by the First Priority Noteholders and the EEUK Term Loan Lenders. The Purchaser is not an "insider" or "affiliate" of any of the Debtors, as such terms are defined in the Bankruptcy Code.

⁴ The descriptions of the orders, documents, Credit Bid APA, and Settlement Agreement provided herein are for the convenience of the Court and parties in interest. To the extent there are any ambiguities or inconsistencies between the summaries and the corresponding order, document, Credit Bid APA, or Settlement Agreement, the terms of the latter shall govern in all respects.

c. **Purchase Price**

Pursuant to section 363(k) of the Bankruptcy Code, the Credit Bid Noteholders will direct the First Priority Notes Collateral Agent to credit bid \$1.00 for the Intercompany Note and 65% of the EIHBV Equity, as to which assets the First Priority Noteholders have a lien. The Credit Bid Noteholders will direct the First Priority Notes Collateral Agent to purchase the remaining 35% of the EIHBV Equity for cash in the amount of \$1.00.

d. **Wind Down Expenses**

The First Priority Noteholders will fund i) the administrative costs and expenses of the chapter 11 cases, ii) any expenses incurred in connection with the subsequent dissolution of the Debtors, and iii) solely in the event that the Closing has occurred, the fees and expenses of Houlihan Lokey Capital, Inc., Milbank, Tweed, Hadley & McCloy LLP, and Morris, Nichols, Arsht & Tunnell LLP, in their capacity as the First Priority Noteholders' advisors or in their capacity as special counsel to the Agent with respect to matters relating to the Credit Bid APA or these chapter 11 cases (collectively, the "***Wind Down Expenses***") out of their portion of the proceeds to be received from the Sale. The First Priority Noteholders' portion of such proceeds shall be deposited into a segregated EOC bank account (the "***Wind Down Account***") as to which the Credit Bid Noteholders and the Ad Hoc Group will be granted a first priority security interest pursuant to the Interim and Final Sale Order. To the extent such proceeds are insufficient to satisfy the Wind Down Expenses, then such expenses shall be satisfied by EEUK subject to certain limitations and procedural requirements.

e. **Conditions to Closing**

The consummation of the transaction is subject to the fulfillment of certain conditions, including entry of the Final Sale Order and delivery of the definitive documents described in the Credit Bid APA, including the Amendments to the Management Services Agreements to accommodate the wind down of EIC and EOC and to provide for post-Closing transition services, and the consummation of the transactions contemplated by the Settlement Agreement.

f. **Closing Date**

Subject to the satisfaction of the conditions to closing, the closing of the purchase and sale of the Intercompany Note and the EIHBV Equity (the "***Closing***") shall take place at the offices of Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153 (or at such other place as the parties may designate in writing) at 10:00 a.m. (New York City time) on the second business day after satisfaction or waiver of the closing conditions (the "***Closing Date***").

g. **Modification of Adequate Protection Order**

The First Priority Notes Collateral Agent and the Credit Bid Noteholders have consented to the modification of the Carve-Out established under Section 8 of the Adequate Protection Order to allow for the payment of all administrative expenses arising in the ordinary course of the Debtors' businesses, and have also agreed to support any motion filed by the Debtors that seeks modification of the Carve-Out to the extent such motion is consistent with the Credit Bid APA or is otherwise reasonably acceptable to the Credit Bid Noteholders.

h. **Releases of the Debtors' Directors & Officers**

The Credit Bid Noteholders shall grant releases to the Debtors' and their non-Debtor Affiliates' former and current officers and directors.

i. **Dismissal**

The Debtors shall request entry of an order dismissing their chapter 11 cases following the Closing, consummation of the Sale, and the satisfaction, resolution, or settlement of all known, undisputed, and valid ordinary course administrative expenses. The Interim Sale Order and Final Sale Order shall authorize EIC to dissolve under state law without stockholder approval.

j. **Dissolution**

Upon or after the dismissal of the chapter 11 cases, each U.S. Debtor shall cause the resignation of each of the members of its board of directors and take all reasonably necessary steps to dissolve under applicable law.

k. **Successor Liability**

The Debtors are also seeking a finding that Purchaser and its affiliates (i) are not, and shall not be, considered a successor in interest to the Debtors, (ii) have not, de facto or otherwise, merged with or into the Debtors, (iii) are not a continuation or substantial continuation of the Debtors or any enterprise of the Debtors, and (iv) are not holding themselves out to the public as a continuation of the Debtors. Except as otherwise specifically provided in the Credit Bid APA, the transfer of the Credit Bid Assets to the Purchaser does not and will not subject the Purchaser or any of their affiliates to any Liability (as defined in the Credit Bid APA) whatsoever with respect to the operation of the Debtors' businesses before the Closing Date or by reason of such transfer under the laws of the United States, any state, territory, or possession thereof, or the District of Columbia, based, in whole or in part, directly or indirectly, on any theory of law or equity, including, without limitation, any theory of antitrust, successor, or transferee liability. See Sale Order ¶¶ R, 16.

l. **Preservation of Records**

Pursuant to the terms of the Credit Bid APA, the Purchaser will preserve and keep the records held by it or its Affiliates relating to the Debtors' businesses for a period of seven (7) years from the Closing Date and will make, or cause its Affiliates to make, such records and personnel available to EOC as may be

reasonably requested by EOC. In the event Purchaser wishes to destroy such records before or after that time, Purchaser will first give thirty (30) days prior written notice to EOC, and EOC will have the right at its option and sole expense, upon prior written notice given to Purchaser within such thirty (30) day period, to take possession of the records within thirty (30) days after the date of such notice. See Sale Order ¶ 25.

m. **Effectiveness**

Notwithstanding the provisions of Bankruptcy Rules 6004(h), the Debtors seek a finding that the Interim Sale Order and the Final Sale Order shall be effective and enforceable immediately and shall not be stayed. See Sale Order ¶ 40.

23. The salient terms of the Settlement Agreement are as follows:

a. **Single Transaction**

EIC, EOC, Endeavour Colorado Corporation, the Credit Bid Noteholders, and the Ad Hoc Group have agreed that the Credit Bid APA and the Settlement Agreement are each an integral part of a single transaction and each is conditioned on the consummation of the other.

b. **Purchaser Ownership**

The Credit Bid Noteholders and the Ad Hoc Group have agreed that, at Closing, 66.67% of the equity interests of Purchaser shall be owned by the First Priority Noteholders, and the remaining 33.33% shall be owned by the EEUK Term Loan Lenders (both subject to the Equity Adjustment, as defined below). Each group will hold its respective equity interests through separate classes of equity. The EEUK Term Loan Lenders will receive customary minority shareholder protections (including information rights), as well as the right to select two (2) members of the seven (7) member board of directors. The First Priority Noteholders will have the right to select four (4) members of the seven (7) member board of directors, which includes the Chief Executive Officer of Purchaser (subject to consultation with the EEUK Term Loan Lenders and approval of a majority of the Board of Directors). The remaining member of the Board of Directors is the independent director to be mutually agreed upon by the EEUK Term Loan Lenders and the First Priority Noteholders.

c. **Amendment of the EEUK Credit Agreement**

The leverage ratio covenant will be modified to incorporate a 25% cushion, any default of the minimum asset coverage ratio covenant will be waived through the maturity date of the loan, an escrow of \$12 million will be established to service debt payments, the capital expenditures covenant will be limited to a 10% cushion, and there will be limitations on transfers of cash between EEUK and the Debtors. The amendment will also include a general

waiver of any breach or default resulting from the consummation of the credit bid and the dissolution of the U.S. debtors, subject to certain carve outs.

d. **EEUK Warrants**

The Credit Bid Noteholders have agreed to grant warrants or similar equity rights to the EEUK Term Loan Lenders to acquire Class B equity in Purchaser, which Class B equity subject to such warrants or rights represents, together with the Class A equity held by such EEUK Term Loan Lenders and any equity received in the Equity Adjustment, 95% of the total equity in Purchaser (on a fully diluted basis). Such warrants shall automatically exercise only upon the earlier to occur of (i) 21 days prior to the maturity of the EEUK Credit Agreement to the extent the EEUK Credit Agreement has not been prepaid in full prior to such date and (ii) the authorization by the board of directors for the filing of any voluntary bankruptcy, insolvency or liquidation proceeding.

e. **Wind Down Expenses**

For every \$100,000 in Wind Down Expenses that EEUK is obligated to fund in excess of the first \$4 million, the Ad Hoc Group shall receive an incremental 0.25% of the total equity in Purchaser in the form of Class A equity (the “*Equity Adjustment*”).

f. **Distribution of Sale Proceeds**

Upon the completion of the Sale, the EEUK Term Loan Lenders will receive all proceeds, after deduction of expenses, from the sale of the assets and property of Endeavour Colorado Corporation. The EEUK Term Loan Lenders will also receive their pro rata distribution of the net proceeds from the sale of the remaining assets plus what remains of the First Priority Noteholders’ pro rata distribution of the net proceeds from the sale of the remaining assets, after the deduction of Wind Down Expenses.

In addition, upon Closing, the Ad Hoc Group shall grant releases of the Debtors’ and their non-Debtor Affiliates’ former and current officers and directors from liability through a separate letter agreement.

24. The Debtors are seeking interim approval of the form of the Credit Bid APA and the Interim Sale Order, substantially in the form attached hereto as **Exhibit A**, on the date of the Sale Hearing. The First Priority Notes Collateral Agent has specifically requested that the Debtors provide an additional three weeks from the Hearing Date for all beneficial holders of the First Priority Notes that are not party to the Credit Bid APA (the “*Minority*”).

Noteholders”) to object to allow the First Priority Notes Collateral Agent sufficient time to notify such beneficial noteholders of the Credit Bid Transaction. Moving forward on an interim basis, however, will provide the Debtors and the parties to the Credit Bid APA with greater certainty that the Credit Bid Transaction will be approved, and will also help the Debtors to limit their administrative expenses by allowing parties to prepare for a closing as soon as possible.

25. The Minority Noteholders must file all objections, if any, to entry of the Final Sale Order by **Monday, September 14, 2015 at 4:00 p.m. (prevailing Eastern Time)** (the “*Supplemental Objection Deadline*”). To the extent any Minority Noteholder files an objection to entry of the Final Sale Order, the Debtors request that the court set a supplemental hearing on or around **September 24, 2015**, or such other time as the Court is available, to resolve any objections raised by any Minority Noteholders and to receive final approval of the Credit Bid APA and entry of the Final Sale Order. If the Minority Noteholders do not file any objections to entry of the Final Sale Order by the Supplemental Objection Deadline, the Debtors will file a copy of the Final Sale Order, which shall be substantially similar to the Interim Sale Order, on Certification of Counsel for entry on the docket. The Closing will not occur until after approval of the Final Sale Order by the Court.

The Adequate Protection and Lender Protection Orders

26. Shortly after the Petition Date, the Debtors sought and obtained entry of the Adequate Protection Order, which granted the First Priority Notes Collateral Agent, on behalf of the First Priority Noteholders and Wells Fargo Bank, National Association, in its capacity as trustee under the First Priority Notes, an adequate protection package that included, among other things, liens (the “*Adequate Protection Liens*”) on certain of the Debtors’ assets other than cash, deposit accounts and cash equivalents and an allowed super-priority administrative expense claim against certain of the Debtors’ estates under section 507(b) of the

Bankruptcy Code to the extent that the value of the First Priority Noteholders' collateral – the Intercompany Note and 65% of the EIHBV Equity – diminished during the course of these chapter 11 cases. *See* Adequate Protection Order ¶ 2(a), (d). The super-priority administrative expense claim has priority over all ordinary course administrative expenses incurred against the Debtors or their estates during the pendency of these chapter 11 cases, with the exception of claims that fall within the Carve-Out. *See id.*

27. Under the Adequate Protection Order, the Carve-Out is defined to include (i) all fees required to be paid to the Clerk of the Court and the U.S. Trustee pursuant to 28 U.S.C. § 1930(a) and (ii) accrued but unpaid professional fees and expenses of the Debtors and the Committee (collectively, the “**Professional Fees**”), to the extent finally allowed by the Court under sections 105(a) and 330 of the Bankruptcy Code, and payments due under the Adequate Protection Order to the First Priority Notes Collateral Agent and Wilmington Trust, National Association, as indenture trustee (the “**Second Priority Indenture Trustee**”) for the holders of the 12% Notes due June 2018 (the “**Second Priority Noteholders**,” and, together with the First Priority Noteholders, the “**Priority Noteholders**”) (and their respective professionals). *See* Adequate Protection Order ¶ 8.

28. Concurrently with the filing and approval of the Adequate Protection Order, the Debtors also sought and obtained entry of the *Stipulated Order Granting (I) Adequate Protection to Certain of the Debtors' Prepetition Secured Lenders and (II) Related Relief Pursuant to Sections 105(a), 361, 362, and 363(e) and Bankruptcy Rules 2002 and 4001* (D.I. 167) (the “**Lender Protection Order**”), which granted Credit Suisse AG, Cayman Islands Branch, as Administrative and Collateral Agent (the “**Term Loan Collateral Agent**”) for the benefit of the EEUK Term Loan Lenders an adequate protection package that included, among

other things, certain lender protections liens that rank *pari passu* with the liens granted to the First Priority Notes Collateral Agent under the Adequate Protection Order. See Lender Protection Order ¶ 3.

29. Prepetition, the EEUK Term Loan Lenders provided a senior secured term loan facility for the benefit of EEUK in the aggregate principal amount of \$440 million (the “**EEUK Term Loan**”) under that certain Amended and Restated Credit Agreement (the “**EEUK Credit Agreement**”) dated as of September 30, 2014, by and among EIHBV and End Finco LLC, as borrowers (collectively, the “**Borrowers**”), the lenders party thereto (the “**EEUK Term Loan Lenders**”), the Term Loan Collateral Agent, and EIC. In addition to certain non-debtor affiliates, Debtors EIC, EOC, Endeavour Energy New Ventures Inc., and END Management Company (collectively, the “**Debtor Guarantors**”) guaranteed the Borrowers’ obligations under the EEUK Credit Agreement. Certain of the Borrowers, Debtor Guarantors, and the Term Loan Collateral Agent also granted to the Term Loan Collateral Agent a security interest in all of their right, title and interest to certain collateral, including the equity of Endeavour Colorado Corporation.

Modification of the Adequate Protection Order

30. The Debtors seek to modify the Adequate Protection Liens granted under the Adequate Protection Order such that any proceeds from the Sale subject to the liens of the First Priority Notes Collateral Agent shall be directed into the Wind Down Account. The proceeds from the Sale will be applied to the Wind Down Expenses in accordance with the provisions of the Credit Bid APA.

31. The Debtors also request modification of the Carve-Out established under the Adequate Protection Order to allow the payment of all of the Debtors’ administrative expenses arising in the ordinary course of business before the payment of any allowed

super-priority administrative expense claim granted to the First Priority Notes Collateral Agent pursuant to section 2(d) of the Adequate Protection Order.

Release of Any Claims Against EEUK Term Loan Lenders

32. As part of the refinancing transaction entered into prior to their chapter 11 filings, which transaction allowed the continued viability of the Debtors' operations, certain of the Debtors granted the EEUK Term Loan Lenders certain security interests in the collateral securing the debt issued under the EEUK Credit Agreement and provided guarantees of the obligations thereunder. Among other things, this refinancing transaction (i) made available to the Debtors and their non-Debtor affiliates approximately \$36 million in additional liquidity, (ii) enhanced the Debtors' unencumbered liquidity by providing for the release of the EEUK Term Loan Lenders' liens on over \$41 million in cash and cash equivalents and (iii) allowed the Debtors to commence these chapter 11 cases without triggering a default under the EEUK Credit Agreement or its predecessor. The Court approved of the subject liens and the validity of the Debtors' obligations under the EEUK Credit Agreement upon entry of the Lender Protection Order.

33. The Lender Protection Order limited the time period for parties in interest to assert claims or causes of action against the EEUK Term Loan Lenders. All non-Debtors that obtained applicable legal standing had until 75 days from the Petition Date to timely and properly file an adversary proceeding or contested matter asserting one or more claims or causes of action against the EEUK Term Loan Lenders (the "**Challenge Period**"). Prior to the expiration of the Challenge Period, the Committee obtained an extension of the Challenge Period to April 10, 2015.

34. On April 10, 2015, the Committee filed the *Motion of Official Committee of Unsecured Creditors for Entry of an Order Granting Derivative Standing and Authority to*

Prosecute and Settle Claims on Behalf of the Debtors' Estates (D.I. 545) (the “**Standing Motion**”), attaching a proposed complaint thereto, seeking standing to (i) challenge the liens and claims granted as part of the prepetition refinancing transaction as preferential and fraudulent transfers and disallow the claims pursuant Section 502(d) of the Bankruptcy Code, (ii) pursue a cause of action for equitable subordination of the EEUK Term Loan Lenders’ claims against the Debtors, and (iii) pursue a cause of action to avoid allegedly unperfected liens and security interests (and any other claims that the Committee may allege, subject to the Committee’s ability to amend the proposed complaint pursuant to the Bankruptcy Rules and the Federal Rules of Civil Procedure). That same day, the Committee also filed *The Official Committee of Unsecured Creditors Objection to Claims of the EEUK Secured Parties* (D.I. 547) (the “**UCC Claims Objection**” and, together with the Standing Motion, the “**UCC Pleadings**”). By the UCC Claims Objection the Committee asserted that the EEUK Term Loan Lenders’ claims should be disallowed (i) to the extent that the claims are avoided, (ii) for failure to attach sufficient documentation and to the extent that the amount due is overstated, (iii) to the extent the claims are duplicative and (iv) to the extent the EEUK Term Loan Lenders failed to perfect the liens securing their claims.

35. On April 24, 2015, the Debtors and the Ad Hoc Group each filed objections to the Standing Motion.⁵ Although the Court has not yet entered an order on the Standing Motion, the Debtors maintain that for the reasons set forth in the Debtors’ Standing

⁵ See the *Debtors’ Objection to the Motion of the Committee of Unsecured Creditors for Entry of an Order Granting Derivative Standing and Authority to Prosecute and Settle Claims* (D.I. 577) (the “**Debtors’ Standing Motion Objection**”) and *The Ad Hoc Term Lender Group’s (I) Objection to the Official Committee of Unsecured Creditors’ (A) Motion for Entry of an Order Granting Derivative Standing and Authority to Prosecute and Settle Claims on Behalf of the Debtors’ Estates and (B) Motion for Reconsideration of Lender Protection Order, and (II) Preliminary Response to the Official Committee of Unsecured Creditors’ Objection to the Claims of the EEUK Secured Parties* (D.I. 575) (the “**EEUK Term Loan Lenders’ Objection**”).

Motion Objection and the EEUK Term Loan Lenders' Objection, the Standing Motion lacks merit.

36. As part of the Credit Bid Transaction, the Debtors have agreed to release any claims and causes of action against the EEUK Term Loan Lenders arising from or related to the claims and liens granted under the Lender Protection Order and the EEUK Credit Agreement including, but not limited to, all claims and causes of action alleged in the UCC Pleadings (the "*EEUK Term Loan Lender Releases*"). The Debtors have agreed to provide these releases in exchange for the various concessions by and agreements of the EEUK Term Loan Lenders that will facilitate the Credit Bid Transaction and allow the Debtors to achieve an orderly and efficient wind down of their estates. Indeed, the EEUK Term Loan Lender Releases are an integral part of the Credit Bid Transaction as the Settlement Agreement provides that Court approval of the EEUK Term Loan Lender Releases is a condition to Closing.

Administrative Expenses

37. The Debtors have been paying their administrative expenses in the ordinary course and are in the process of settling any significant administrative expense requests filed to date against their estates. The Debtors believe they will have paid or otherwise settled prior to dismissal all of the known, undisputed, and valid postpetition administrative expenses that they will be permitted to pay under the Modification Order.

Basis for Relief Requested

a. The Credit Bid APA Should Be Approved Because It Satisfies The Requirements of Sections 363(b), (f), (k), and (m) of the Bankruptcy Code

38. Section 363 of the Bankruptcy Code provides, in relevant part, that "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Section 363 does not establish when it

is appropriate for bankruptcy courts to authorize the sale of a debtor's assets. This Court, however, has held that such a sale may be authorized under section 363 of the Bankruptcy Code if the Court finds a "sound business purpose" for the sale. *See Dai-Ichi Kangyo Bank, Ltd. v. Montgomery Ward Holding Corp. (In re Montgomery Ward Holding Corp.)*, 242 B.R. 147 (Bankr. D. Del. 1999) (citing *Committee of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983)). In Delaware, the business judgment rule creates a "presumption that directors making a business decision, not involving self-interest, act on an informed basis, in good faith and in the honest belief that their actions are in the corporation's best interest. *Stanizale v. Nachtomi (In re Tower Air, Inc.)*, 416 F.3d 229, 234 (3d Cir. 2005) (citations omitted); *see also Official Comm. of Sub. Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. 650, 656 (S.D.N.Y. 1992) (holding that Delaware's business judgment rule principles have "vitality by analogy" in chapter 11).

39. Once a court is satisfied that there is a sound business reason justifying the sale, the court must also determine that adequate and reasonable notice has been provided to interested parties, that the sale price is fair and reasonable, and that the purchaser is proceeding in good faith. *In re Delaware & Hudson Ry Co.*, 124 B.R. 169, 176 (D. Del. 1991) (citing *In re Indus. Valley Refrigeration and Air Conditioning Supplies, Inc.*, 77 B.R. 15, 20 (Bankr. E.D. Pa. 1987)).

40. The Debtors have shown that a valid business justification exists to accept the First Priority Notes Collateral Agent's credit bid for the Intercompany Note and EIHBV Equity. Despite having marketed the EIHBV Equity and Intercompany Note since the filing of the Sale Motion on April 29, 2015, no other potential bidder has expressed interest in purchasing those Assets. Even if another bidder was to come forth, it is highly unlikely that such bidder

could offer a bid in an amount that exceeds the value of the Priority Noteholders' secured claim of approximately \$554 million,⁶ which they have the right to credit bid under section 363(k) of the Bankruptcy Code. Finally, there is no dispute that the First Priority Noteholders and the First Priority Notes Collateral Agent have valid claims against the Debtors and liens on 65% of the EIHBV Equity and Intercompany Note, respectively.

41. Adequate and reasonable notice was provided through the *Notice of Auction, Stalking Horse Hearing, and Sale Hearing* (D.I. 674), mailed to all known creditors for whom the Debtors have contact information.

42. The sale price is fair and reasonable, as the First Priority Notes Collateral Agent has the discretion to credit bid any amount of the First and Second Priority Noteholders' claims in exchange for the Intercompany Note and 65% of the EIHBV Equity, and the Debtors believe that the economic value of those Assets do not exceed the value of the Priority Noteholders' secured claim of \$554 million. Moreover, the amount the Credit Bid Noteholders will pay for the remaining 35% of the EIHBV Equity is likewise fair and reasonable because the economic value of the minority share of the EIHBV equity is *de minimis* at best.

43. The Credit Bid APA also satisfies the provisions of section 363(f) of the Bankruptcy Code. Under section 363(f) of the Bankruptcy Code, a debtor may sell estate property free and clear of liens, claims, encumbrances, and other interests if one of the following conditions is satisfied:

- (i) applicable nonbankruptcy law permits sale of such property free and clear of such interest;

⁶ Pursuant to that certain Intercreditor Agreement, dated as of May 31, 2012, among the First Priority Notes Collateral Agent, the Second Priority Indenture Trustee, Wells Fargo Bank, National Association, in its capacity as trustee for the First Priority Noteholders, and Wells Fargo Bank, National Association, in its capacity as collateral agent for the Second Priority Noteholders (the "*Second Priority Notes Collateral Agent*"), the First Priority Notes Collateral Agent does not need the consent of the Second Priority Noteholders or Second Priority Notes Collateral Agent to credit bid the full amount of the First Priority Noteholders' claims.

- (ii) such entity consents;
- (iii) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (iv) such interest is in bona fide dispute; or
- (v) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f). Because section 363(f) of the Bankruptcy Code is written in the disjunctive, satisfaction of any one of its five requirements will suffice to permit the sale of the Assets “free and clear” of liens, claims, encumbrances, and other interests. *See, e.g., In re Dura Automotive Sys., Inc.*, No. 06-11202, 2007 WL 7728109 at *79 (Bankr. D. Del. Aug. 15, 2007).

44. The Debtors may sell the EIHBV Equity and Intercompany Note free and clear of all liens, claims, encumbrances, and other interests of any kind or nature whatsoever, because, in each case, one or more of the standards set forth in section 363(f)(1) through (5) of the Bankruptcy Code have been satisfied. Each entity with a lien, claim, encumbrance, or other interest in either the EIHBV Equity or Intercompany Note (i) has, subject to the terms and conditions of this Order, consented to the credit bid and sale or is deemed to have consented; (ii) has an interest in a lien and the price at which the property is to be sold is greater than the aggregate value of all liens on the property; or (iii) otherwise falls within the provisions of section 363(f) of the Bankruptcy Code.

45. Although courts are split on the meaning of the phrase “aggregate value of all liens” in section 363(f)(iii), courts in the Third Circuit have held that this language means the “economic value” of the liens in the context of section 506(a) of the Bankruptcy Code. *Milford Grp., Inc. v. Concrete Step Units, Inc. (In re Milford Grp.)*, 150 B.R. 904 (Bankr. M.D. Pa. 1992); *Hatfield Homes, Inc. v. Pennview Savings Ass’n (In re Hatfield Homes, Inc.)*, 30 B.R. 353

(Bankr. E.D. Pa. 1983). These courts have held that, in light of section 506(a), under which secured creditors only have claims to the extent of the value of their interest in the estate's interest in such property, the value of a secured creditor's lien is equal to the value of its collateral. *See* 11 U.S.C. § 506(a); *Milford*, 150 B.R. at 906 (interpreting the phrase "value of all liens" in section 363(f)(3) to mean value of the collateral); *see also Hatfield*, 30 B.R. 356 (holding that the actual value of mortgagees' interests was dependent on the highest possible sales price for the subject property).

46. The value of the EIHBV Equity and the Intercompany Note, which secure the First Priority Noteholders' secured claim on the Debtors' Assets, is far less than the value of the First Priority Noteholders' claim, making their lien equal to the value of the collateral pursuant to section 506(a) of the Bankruptcy Code. Since the First Priority Noteholders' lien will have a value of less than the value of the property when adjusting for the expenses of liquidation, a sale may proceed free and clear under section 363(f). *See Milford*, 150 B.R. at 906.

47. The transactions contemplated by the Credit Bid APA are authorized under Section 363(k) of the Bankruptcy Code.

48. Finally, the Debtors will present evidence at the Sale Hearing that the Credit Bid APA was a fairly negotiated, arm's length transaction in which the Credit Bid Noteholders acted in good faith, and, therefore, that the protections of section 363(m) of the Bankruptcy Code should apply.

b. The Settlement Agreement and Release of Any Claims Against The EEUK Term Loan Lenders Should Be Approved Because They Are Fair, Reasonable, and In The Best Interests of the Debtors' Estates

49. With respect to the Settlement Agreement and the release of the Debtors' claims, if any, against the EEUK Term Loan Lenders, Bankruptcy Rule 9019, which governs the

approval of compromises and settlements, provides that “[o]n motion by the [debtor] and after notice and a hearing, the court may approve a compromise or settlement.” Furthermore, section 105(a) of the Bankruptcy Code provides that the “court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].”

50. Settlements and compromises are favored in bankruptcy to minimize litigation and expedite the administration of the estate. *See Myers v. Martin (In re Martin)*, 91 F.3d 389, 393 (3d Cir. 1996). Accordingly, the decision to approve a particular settlement lies “within the discretion of the bankruptcy court.” *In re World Health Alts., Inc.*, 344 B.R. 291, 296 (Bankr. D. Del. 2006) (citations omitted); *In re Key3Media Grp.*, 336 B.R. 87, 92 (Bankr. D. Del. 2005) (citations omitted).

51. In determining whether a settlement should be approved under Bankruptcy Rule 9019, a court must assess and balance the value of the claims being compromised against the value to the estate of accepting the compromise in light of several factors: (i) the probability of success in litigation; (ii) the likely difficulties in collection; (iii) the complexity of the litigation involved, and the expense, inconvenience, and delay necessarily attending it; and (iv) the paramount interest of the creditors. *Myers v. Martin (In re Martin)*, 91 F.3d 389, 393 (3d Cir. 1996).

52. A court need not decide the numerous issues of law and fact raised by the settlement, nor need it be convinced that the settlement is the best possible compromise. *See In re World Health Alts., Inc.*, 344 B.R. at 296; *In re Key3Media Grp., Inc.*, 336 B.R. at 92. Rather, a court should canvass the issues to see whether the settlement “falls below the lowest point in the range of reasonableness.” *In re World Health Alts., Inc.*, 344 B.R. at 296 (quoting *In re W.T.*

Grant Co., 699 F.2d 599, 608 (2d Cir. 1983)); *see also In re Key3Media Grp., Inc.*, 336 B.R. at 93 (internal quotations and citations omitted).

53. Ultimately, the settlement must be fair, reasonable, and in the best interests of the debtors' estates. *See Law Debenture Trust Co. of New York v. Kaiser Aluminum Corp. (In re Kaiser Aluminum Corp.)*, 339 B.R. 91, 95-96 (D. Del. 2006) (citing *In re Martin*, 91 F.3d at 394) (citations omitted); *In re Marvel Entm't Grp., Inc.*, 222 B.R. 243, 249 (D. Del. 1998) (citations omitted); *see also In re Key3Media Grp., Inc.*, 336 B.R. at 92 ("Under Rule 9019(a), the bankruptcy court has a duty to make an informed, independent judgment that the compromise is fair and equitable.") (citing *Protective Comm. for Indep. S'holders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968)).

Release of Any Claims Against EEUK Term Loan Lenders

54. The release of Debtors' claims, if any, against the EEUK Term Loan Lenders is fair, reasonable, and in the best interests of the Debtors' estates. The value the Debtors and their creditors derive from releasing their claims against the EEUK Term Loan Lenders, including all claims alleged in the UCC Pleadings, outweighs any reasonable view of the success of litigation regarding the claims. As an initial matter, the infirmities of the claims asserted in the UCC Pleadings are set forth in the EEUK Term Loan Lenders' Objection.

55. Moreover, as explained in the Debtors' Standing Motion Objection, incorporated herein by reference, the only certain result of the litigation is that the Debtors would incur significant costs. Even if the Debtors (or the Committee, if granted standing) prevailed in adversary proceedings against the EEUK Term Loan Lenders, general unsecured creditors would recognize no benefit because any recovery, lien avoidance or claim disallowance would inure to the benefit of the First Priority Noteholders by virtue of their super-priority claims. If the Credit

Bid APA and Settlement Agreement are approved, the Debtors will have the ability to pay their ordinary course administrative expenses in full before the First Priority Noteholders' super-priority claim may be paid.

56. The Debtors' release of any claims against the EEUK Term Loan Lenders will eliminate the time and expense necessary to resolve these meritless claims. The alternative to releasing the claims – to commence time-consuming preference and fraudulent transfer litigation – would inconvenience the Debtors and their creditors, delay the Debtors' speedy resolution of claims and dismissal of their chapter 11 cases, and further deplete the Debtors' finite pool of cash by creating burdensome administrative expenses without contributing to the Debtors' recovery or exit from chapter 11.

57. Finally, the EEUK Term Loan Lenders' agreement to amend the EEUK Term Loan Credit Agreement to (i) eliminate the defaults that would arise from consummation of the Credit Bid Transaction and the subsequent dismissal of the chapter 11 cases, (ii) permit EEUK to fund any Wind Down Shortfall and (iii) reset certain of the financial covenants that otherwise will result in a near term default, is an integral and necessary part of the Credit Bid Transaction and more than adequate consideration in exchange for the EEUK Term Loan Lender Releases. Providing the EEUK Term Loan Lender Releases, therefore, will contribute to a quick, orderly wind down of the Debtors' businesses and allow the Debtors to reach the best possible outcome in a difficult situation. For all of the foregoing reasons, this Court should approve the EEUK Term Loan Lender Releases as fair, reasonable, and in the best interests of the Debtors' estate.

Settlement Agreement

58. The Settlement Agreement satisfies the legal standards for approval, as it is the product of good-faith, arm's length negotiations and is in the best interests of the Debtors' estates. Lingering in chapter 11 for an extended period of time will only further deplete the Debtors' finite pool of cash to the detriment of these estates. The Debtors need to resolve these chapter 11 cases, and quickly. Under the current circumstances, a chapter 11 plan is not possible because the Debtors are not able to satisfy any super-priority administrative expenses and confirm a chapter 11 plan. The only practical path to an exit is dismissal of their chapter 11 cases. But an ad hoc dismissal of their chapter 11 cases will also be to the detriment of their creditors, potentially leaving ordinary course administrative expenses unsatisfied. The Settlement Agreement, together with the Credit Bid APA, resolves each of these issues and provides the Debtors a way to orderly exit from these chapter 11 cases while satisfying their administrative expenses. The Settlement Agreement incorporates the agreements for funding to pay all Wind-Down Expenses, the modification of the Adequate Protection Order to permit the Debtors to satisfy the Wind-Down Expenses, the amendments to the EEUK Credit Agreement necessary to consummate the Credit Bid Transaction, the transfer of the EIHBV Equity to new ownership, and the dismissal of these chapter 11 cases immediately after the Closing Date.

59. If the transactions set forth in the Settlement Agreement and the Credit Bid APA are not approved, the Debtors face outright dismissal or a conversion to chapter 7. Neither of these options will allow the Debtors to circumvent payment of the super-priority administrative expense claim held by the First Priority Notes Collateral Agent to satisfy the claims of administrative expense creditors who have actually provided a benefit to the Debtors' businesses. Nor will these options provide the path to an orderly exit while minimizing the

incurrence of additional expenses, such as chapter 7 trustee fees and expenses attributable to a delayed conclusion to these chapter 11 cases. Accordingly, for all these reasons, this Court should approve the Settlement Agreement as fair, reasonable, and in the best interests of the Debtors' estate.

c. The Adequate Protection Order Should Be Modified To Confirm The Debtors' Ability To Satisfy Their Ordinary Course Administrative Expenses

60. Section 105(a) of the Bankruptcy Code provides that the "court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]."

61. Additionally, it is well settled that, under certain circumstances, a Court may modify or even vacate a prior order. *In re Exide Techs., Inc.*, 299 B.R. 732, 739 (Bankr. D. Del. 2003) (Carey, J.). Rule 60(b)(1) of the Federal Rules of Civil Procedure, which applies in bankruptcy cases pursuant to Bankruptcy Rule 9024, states that "on motion and just terms, the court may relieve a party or its legal representative from a final judgment, order, or proceeding for the following reasons . . . (6) any . . . reason that justifies relief." Bankruptcy courts have broad discretion under Rule 9024 to reconsider or modify past orders. *See, e.g., In re G-I Holdings, Inc.*, 472 B.R. 263, 280 (Bankr. D. N.J. 2012) (citing *G.W. Palmer & Co., Inc. v. Dye (In re Tanimura Distrib., Inc)*, 2011 WL 3299933 (9th Cir. B.A.P. 2011)).

62. The Adequate Protection Order was negotiated and agreed to at the outset of these chapter 11 cases when the Debtors' financial circumstances were starkly different from their present circumstances. Due to the precipitous drop in oil and gas prices since the Petition Date, the value of the Debtors' businesses has decreased. As such, the super-priority administrative expense claim granted under the Adequate Protection Order has now grown to a magnitude that precludes the Debtors from satisfying any claims other than the claims of their

secured creditors. Under the Credit Bid APA, the Credit Bid Noteholders support and have agreed to direct the First Priority Notes Collateral Agent to support the Debtors in seeking a modification of the Adequate Protection Liens and the Carve-Out established under the Adequate Protection Order to permit the Debtors to pay all their ordinary course administrative expenses before satisfying the Priority Noteholders' super-priority administrative expense claim.

63. The Debtors have approximately \$16.3 million in cash on hand as of the date of the filing of this Motion. Absent the funding provided by this transaction, the Debtors would not be able to pay all of their anticipated Wind Down Expenses, including investment banking fees payable as a result of the Closing under the Credit Bid APA. These Wind Down Expenses include all administrative expenses that may arise in the ordinary course of the Debtors' operations, and the costs associated with dissolution. The Court's use of its broad equitable power to modify the Adequate Protection Order will allow the Debtors to use the funding provided by this transaction to ensure that the Debtors' ordinary course administrative expense creditors, such as vendors, suppliers, and employees, will be paid in full before the Debtors' chapter 11 cases are dismissed.

Effectiveness

64. Notwithstanding the provisions of Bankruptcy Rules 6004(h), the Debtors seek a finding that the Interim Sale Order and the Final Sale Order shall be effective and enforceable immediately and shall not be stayed.

Notice

65. No trustee or examiner has been appointed in these chapter 11 cases. Notice of this Motion shall be given to: (i) the Office of the United States Trustee for the District of Delaware; (ii) the Debtors, c/o Endeavour Operating Corporation, 811 Main Street, Suite 2100, Houston, TX 77002 (Attn: Catherine Stubbs and David Baggett); (iii) counsel to the

Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153 (Attn: Gary T. Holtzer, Esq. and Stephen A. Youngman, Esq.), and Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801 (Attn: Mark D. Collins, Esq. and Zachary I. Shapiro, Esq.); (iv) counsel to the Ad Hoc Group, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael Stamer, Esq. and Meredith Lahaie, Esq.); (v) counsel to the Committee, Thompson & Knight LLP, One Arts Plaza, 1722 Routh Street, Suite 1300, Dallas, TX 75201 (Attn: David M. Bennett, Esq. and Cassandra Sepanik Shoemaker, Esq.) and Bayard, P.A., 222 Delaware Avenue, Suite 900, Wilmington, DE 19801 (Attn: Neil B. Glassman, Esq., Scott D. Cousins, Esq., and Evan T. Miller, Esq.); (vi) counsel to the Ad Hoc Group of Prepetition Priority Noteholders, Milbank, Tweed, Hadley & McCloy LLP, 28 Liberty Street, New York, NY 10005 (Attn: Dennis F. Dunne, Esq. and Michael E. Comerford, Esq.); (vii) counsel to certain of the holders of the 5.5% Convertible Senior Notes due 2016 and the 6.5% Convertible Senior Notes due 2016, Brown Rudnick LLP, Seven Times Square, New York, NY 10036 (Attn: Robert J. Stark, Esq.); (viii) counsel to the holder of the 7.5% Guaranteed Convertible Bonds due 2016, Ropes & Gray LLP, 1211 Avenue of the Americas, New York, NY 10036 (Attn: Keith H. Wofford, Esq.); (ix) any Governmental Body (as defined in the Credit Bid APA) known to have a claim in the bankruptcy cases; (x) National Association of Attorneys General, 2030 M Street NW, 8th Floor, Washington, DC 20036 (Attn: Karen Cordry, Esq.); (xi) the Office of the Attorney General in each state in which the Debtors operate; (xii) the Office of the Delaware Secretary of State; (xiii) the Delaware State Treasury; (xiv) the Securities and Exchange Commission; (xv) the Internal Revenue Service; (xvi) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002; (xvii) all of the Debtors' known creditors; and (xviii) all

other persons as directed by the Court (for whom identifying information and addresses are available to the Debtors) (the “*Notice Parties*”). The Debtors respectfully submit that no further notice of this Motion is required.

No Previous Request

66. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as it deems just and proper.

Dated: August 3, 2015
Wilmington, Delaware

/s/ Rachel L. Biblo
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Attorneys for Debtors and Debtors in Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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	:	
<i>In re:</i>	:	Chapter 11
	:	
ENDEAVOUR OPERATING CORPORATION, et al.,¹	:	Case No. 14-12308 (KJC)
	:	
Debtors.	:	(Jointly Administered)
	:	
	:	Hearing Date: August 24, 2015 at 1:00 p.m. (ET)
	:	Objection Deadline for all Parties other than Minority Noteholders: August 17, 2015 at 4:00 p.m. (ET)
	:	
-----	X	Supp. Obj. Deadline for Minority Noteholders only: September 14, 2015 at 4:00 p.m. (ET)
		Supp. Hearing (if necessary): To Be Determined

NOTICE OF MOTION AND HEARING

PLEASE TAKE NOTICE that on August 3, 2015, Endeavour Operating Corporation and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the “*Debtors*”), filed the *Motion of the Debtors for Entry of (I) an Interim and Final Order Pursuant to Sections 105(a) and 363(b), (f), (k) and (m) of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, and 9019 Approving the Credit Bid Asset Purchase Agreement Among the Debtors, First Priority Notes Collateral Agent, and the Credit Bid Noteholders, the Settlement Agreement Between and Among the Debtors, First Priority Noteholders, and Ad Hoc Group of EEUK Term Loan Lenders, Release of Any Claims Against EEUK Term Loan Lenders, and Modification of Debtors’ Services Agreements and (II) an Order Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9024 Approving Modification of the Adequate*

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor’s taxpayer identification number are as follows: Endeavour Operating Corporation (6552); Endeavour International Corporation (8389); Endeavour Colorado Corporation (0067); END Management Company (7578); Endeavour Energy New Ventures Inc. (7563); Endeavour Energy Luxembourg S.à r.l. (2113). The Debtors’ principal offices are located at 811 Main Street, Suite 2100, Houston, Texas 77002.

Protection Order (the “**Motion**”)² with the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”). By the Motion, the Debtors are seeking entry of the Interim Sale Order, the Final Sale Order and the Modification Order.

PLEASE TAKE FURTHER NOTICE that all objections or responses to the Motion, including objections to entry of the Interim Sale Order, the Final Sale Order and/or the Modification Order, if any, must be made in writing, filed with the Bankruptcy Court, and served on or before **August 17, 2015 at 4:00 p.m. (prevailing Eastern Time)**; provided, however, that only the Minority Noteholders may file and serve objections (each, a “**Supplemental Objection**”) solely to entry of the Final Sale Order by **September 14, 2015 at 4:00 p.m. (prevailing Eastern Time)**.

PLEASE TAKE FURTHER NOTICE that a hearing with respect to the Motion, if required, will be held before The Honorable Kevin J. Carey at the Bankruptcy Court, 824 North Market Street, 5th Floor, Courtroom No. 5, Wilmington, Delaware 19081 on **August 24, 2015 at 1:00 p.m. (prevailing Eastern Time)**; provided, however, that, in the event that any Supplemental Objections are timely filed and served and not resolved, a hearing on approval of the Final Sale Order and any unresolved Supplemental Objections (the “**Final Hearing**”) will be held on or around **September 24, 2015**, or such other time as the Bankruptcy Court is available. *Parties in interest will receive separate notice of the date and time of the Final Hearing if such hearing is scheduled by the Bankruptcy Court.*

IF NO SUPPLEMENTAL OBJECTIONS ARE TIMELY FILED AND SERVED, THE BANKRUPTCY COURT MAY ENTER THE FINAL SALE ORDER WITHOUT THE NEED FOR A FURTHER HEARING.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion. Copies of the Motion may be obtained from the Debtors’ restructuring website at the following web address:

Dated: August 3, 2015
Wilmington, Delaware

Respectfully submitted,

/s/ Rachel L. Biblo

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Attorneys for Debtors and Debtors in Possession

Exhibit A

Interim Sale Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

	x	
	:	
<i>In re:</i>	:	Chapter 11
	:	
ENDEAVOUR OPERATING CORPORATION, et al.,¹	:	Case No. 14–12308 (KJC)
	:	
Debtors.	:	(Jointly Administered)
	:	
	x	Re: D.I. ____

**INTERIM ORDER PURSUANT TO SECTIONS 105(a)
AND 363(b), (f), (k) AND (m) OF THE BANKRUPTCY CODE
AND BANKRUPTCY RULES 2002, 6004, AND 9019 APPROVING CREDIT BID ASSET
PURCHASE AGREEMENT AMONG THE DEBTORS, FIRST PRIORITY
NOTES COLLATERAL AGENT, AND THE CREDIT BID NOTEHOLDERS, THE
SETTLEMENT AGREEMENT BETWEEN AND AMONG THE DEBTORS,
FIRST PRIORITY NOTEHOLDERS, AND AD HOC GROUP OF EEUK TERM
LOAN LENDERS, RELEASE OF ANY CLAIMS AGAINST EEUK TERM
LOAN LENDERS, AND MODIFICATION OF DEBTORS’ SERVICES AGREEMENTS**

Upon the Motion, dated August 3, 2015 (the “*Motion*”),² of Endeavour Operating Corporation and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the “*Debtors*”), for, among other things, an order pursuant to sections 105(a) and 363(b), (f), (k) and (m) of title 11 of the United States Code (the “*Bankruptcy Code*”) and Rules 2002, 6004, and 9019 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”) seeking approval of (i) the Credit Bid APA, attached hereto as **Attachment 1**, for the purchase of the Intercompany Note and EIHBV Equity by a new company (“*Purchaser*”), which shall be owned by the First Priority Noteholders and the EEUK Term Loan Lenders, (ii) the Settlement

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor’s taxpayer identification number are as follows: Endeavour Operating Corporation (6552); Endeavour International Corporation (8389); Endeavour Colorado Corporation (0067); END Management Company (7578); Endeavour Energy New Ventures Inc. (7563); Endeavour Energy Luxembourg S.à r.l. (2113). The Debtors’ principal offices are located at 811 Main Street, Suite 2100, Houston, Texas 77002.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

Agreement, dated as of August 3, 2015, between and among EIC, EOC, and Endeavour Colorado Corporation, the Credit Bid Noteholders, and the Ad Hoc Group of EEUK Term Loan Lenders, attached hereto as **Attachment 2**, (iii) the release of the Debtors' claims, if any, against the EEUK Term Loan Lenders (as defined herein); (iv) the Amendment to that certain Services Agreement, attached hereto as **Attachment 3**, dated as of January 1, 2014, by and between EOC and EEUK (the "***EOC-EEUK Services Agreement***"), and (v) the Amendment to that certain Services Agreement, attached hereto as **Attachment 4**, dated as of January 1, 2014, by and between Endeavour International Corporation ("***EIC***") and EEUK (the "***EIC-EEUK Services Agreement***," together with the EOC-EEUK Services Agreement, the "***Management Services Agreements***"); and a final hearing (the "***Sale Hearing***") to approve the Credit Bid APA having been held on August 24, 2015; and the *Debtors' Motion for (I) Order Approving (A) Bid Procedures, Including Procedures for Selection of Stalking Horse Purchasers, (B) Procedures for Assumption and Assignment of Certain Executory Contracts and Unexpired Leases and Related Notices, (C) Notice of Auction, Stalking Horse Hearing and Sale Hearing, and (D) Related Relief and (II) Order (A) Approving the Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances and Other Interests Pursuant to Bankruptcy Code Sections 105, 363(b), (f), and (m), (B) Approving Assumption, Assignment and Sale of Certain Executory Contracts and Unexpired Leases Pursuant to Bankruptcy Code Sections 363 and 365 and Related Cure Amounts, and (C) Granting Related Relief (D.I. 600)* (the "***Sale Motion***") having been filed on April 29, 2015; and the *Order Approving (A) Bid Procedures, Including Procedures for Selection of Stalking Horse Purchasers, (B) Procedures for Assumption and Assignment of Certain Executory Contracts and Unexpired Leases and Related Notices, (C) Notice of Auction, Stalking Horse Hearing and Sale Hearing, and (D) Related Relief*

(D.I. 668) (the “*Bid Procedures Order*”) having been entered on May 20, 2015; and the Sale Motion and Bid Procedures Order having established the bid procedures for the sale of the Debtors’ assets, including the Intercompany Note and EIHBV Equity, and having authorized the sale thereof; and the Court having determined that notice of the Motion was adequate and sufficient; and all such parties having been afforded due process and an opportunity to be heard with respect to the Motion and all relief requested therein; and the Court having reviewed and considered: (i) the Motion; (ii) the objections and responsive pleadings filed in connection with the Motion, if any; and (iii) the representations of counsel made, and the evidence proffered, at the Sale Hearing; and the Sale Hearing having been held, and after due deliberation and sufficient cause appearing therefor, hereby finds and determines that:

A. **Jurisdiction and Venue.** The Court has jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012, the consideration of the Motion and the relief requested therein is a core proceeding pursuant to 28 U.S.C. § 157(b), and venue is proper under 28 U.S.C. §§ 1408 and 1409.

B. **Final Order.** This Order constitutes a final order within the meaning of 28 U.S.C. § 158(a).

C. **Statutory Predicates.** The statutory predicates for the relief sought in the Motion are sections 105(a) and 363 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, and 9019, and Local Rules 2002-1 and 6004-1.

D. **Notice.** Proper, timely, and adequate notice (“*Notice*”) of the Motion, the Credit Bid APA, the Settlement Agreement, and the hearing was provided to all necessary persons and

entities, including but not limited to the First Priority Noteholders. The Notice was good, sufficient, and appropriate under the particular circumstances, and no other or further notice of the Motion, the Credit Bid APA, the Settlement Agreement, or the hearing is required. The Notice informed the First Priority Noteholders and any other interested parties that, *inter alia*, any party in interest, including a First Priority Noteholder, who does not make a timely objection to the Motion shall be deemed to have waived such objection and shall forever be foreclosed from making any objection relating to the Motion or this Order.

E. The Notice was the best and most practicable notice under the circumstances, contained sufficient disclosure of the terms and conditions of the Sale and the matters raised in the Motion, and provided reasonable, due, and adequate process under the law. The Notice was provided by first-class mail to the Notice Parties. With respect to entities whose identities were not reasonably ascertained by the Debtors, publication of a summary version of the Notice in *The Wall Street Journal*, *Houston Chronicle*, *The Denver Post*, and certain local or trade publications by June 10, 2015 was sufficient and reasonably calculated under the circumstances to reach such entities.

F. **Compliance with Bid Procedures Order.** As demonstrated by (i) evidence adduced at the Sale Hearing and (ii) the representations of counsel made on the record at the Sale Hearing, the Debtors have conducted a fair and open sale process in a manner reasonably calculated to produce the highest and otherwise best offer for the EIHBV Equity and the Intercompany Note (the “*Credit Bid Assets*”), in compliance with the Bid Procedures Order. The Credit Bid APA and the Settlement Agreement are substantively and procedurally fair to all parties. The sale process and Bid Procedures were non-collusive, duly noticed, and afforded a full, fair, and reasonable opportunity for any Person to make a higher and otherwise better offer

to purchase all or any of the Assets. The Credit Bid APA represents a fair and reasonable offer to purchase the Credit Bid Assets under the circumstances of these chapter 11 cases. No other entity or group of entities has offered to purchase the Credit Bid Assets for greater overall value to the Debtors' estates than the Purchaser.

G. **Corporate Authority.** The Debtors have taken all corporate or other entity action necessary to authorize and approve the Credit Bid APA and Settlement Agreement. The Debtors have full corporate or other entity power and authority to execute the Credit Bid APA, Settlement Agreement, and all other documents contemplated thereby. No consents or approvals, other than those expressly provided for in the Credit Bid APA and Settlement Agreement, are required for the Debtors to consummate the transactions contemplated thereby.

H. **Business Justification.** Approval of the Credit Bid APA and Settlement Agreement is in the best interests of the Debtors, their estates, their creditors, and other parties in interest. The Debtors have demonstrated good, sufficient, and sound business purposes and justifications for the sale to the Credit Bid Noteholders pursuant to section 363(b) and (k) of the Bankruptcy Code. Such business purposes and justifications include, but are not limited to, that the Credit Bid APA, the Settlement Agreement and the transactions contemplated thereby will present the best opportunity to maximize the value of their estates to the most creditors possible while minimizing additional costs and time spent in chapter 11.

I. The consideration to be provided by the First Priority Notes Collateral Agent under or in connection with the Credit Bid APA (i) is fair and reasonable; (ii) is the highest and otherwise best offer for the Credit Bid Assets; (iii) will provide a greater recovery for the Debtors' creditors than would be provided by any other practically available alternative; and (iv) constitutes reasonably equivalent value and fair consideration. In reaching this

determination, the Court has taken into account both the consideration to be realized directly by the Debtors' estates and the indirect benefits of the Credit Bid APA for the Debtors' employees and creditors. The Debtors' determination that the Credit Bid APA constitutes the highest and otherwise best offer for the Credit Bid Assets is a result of due deliberation by the Debtors and constitutes a valid and sound exercise of the Debtors' business judgment.

J. **Arm's-Length.** The Credit Bid APA and the Settlement Agreement were negotiated, proposed, and entered into (as applicable) by the Debtors, the First Priority Notes Collateral Agent, the Credit Bid Noteholders and the Ad Hoc Group without collusion, in good faith, and was the result of arm's-length bargaining between the parties represented by independent counsel. The Debtors, the Credit Bid Noteholders, the First Priority Notes Collateral Agent and the Ad Hoc Group have not engaged in any conduct that would cause or permit the Credit Bid APA to be avoided under section 363(n) of the Bankruptcy Code. The Purchaser is not an "insider" or "affiliate" of any of the Debtors, as such terms are defined in the Bankruptcy Code.

K. **Good Faith Purchaser.** The Purchaser is a good faith purchaser under section 363(m) of the Bankruptcy Code and, as such, is entitled to all of the protections afforded thereby. The First Priority Notes Collateral Agent is acting in good faith within the meaning of section 363(m) in consummating the Credit Bid APA. The First Priority Notes Collateral Agent has proceeded in good faith in all respects in that, *inter alia*: (i) the First Priority Notes Collateral Agent recognized that the Debtors were free to deal with any other party interested in acquiring the Credit Bid Assets; (ii) the First Priority Notes Collateral Agent's bid was subjected to the competitive bid procedures set forth in the Bid Procedures Order; (iii) no common identity of directors or officers exists among the First Priority Notes Collateral Agent and the Debtors, and

(v) all payments to be made by the Purchaser and all other material agreements or arrangements entered into by the First Priority Notes Collateral Agent, Credit Bid Noteholders, and the Debtors in connection with the Credit Bid APA have been disclosed.

L. **Legal, Valid and Binding Transfer.** EOC is the sole and lawful owner of the Credit Bid Assets, or otherwise has a valid, enforceable property interest in such, and title thereto is vested in the EOC's estate within the meaning of section 541(a) of the Bankruptcy Code. EOC has all right, title, and interest in the Credit Bid Assets required to transfer and convey the assets to the Purchaser. The transfer of the Credit Bid Assets to the Purchaser will be a legal, valid, and effective transfer of the Credit Bid Assets and, except as provided in the Credit Bid APA, will vest the Purchaser with all right, title, and interest of EOC to the Credit Bid Assets free and clear of all liens, claims, encumbrances, and other interests of any kind and every kind whatsoever (including liens, claims, encumbrances, and other interests of any Governmental Body, as defined in the Credit Bid APA) other than those liens, claims, encumbrances, and other interests specifically assumed by the Purchaser pursuant to the Credit Bid APA. The sale of the Credit Bid Assets shall also be free and clear of those liens, claims, encumbrances, and other interests that purport to give to any party a right or option to effectuate any forfeiture, modification, or termination of the EOC's interests in the Credit Bid Assets, or any similar rights.

M. The Credit Bid APA is a valid and binding contract among the parties thereto, which is and shall be enforceable according to its terms.

N. **Free and Clear.** The Credit Bid Noteholders would not have entered into the Credit Bid APA, thus adversely affecting the Debtors, their estates, and their creditors, if the transfer of the Credit Bid Assets to the Purchaser was not free and clear of all liens, claims,

encumbrances, and other interests of any kind or nature whatsoever, or if the Purchaser would, or in the future could, be liable for any such lien, claim, encumbrance, or other interest. A sale of the Credit Bid Assets other than one free and clear of any liens, claims, encumbrances, and other interests would adversely impact the Debtors' estates and would yield substantially less value for the Debtors' estates.

O. Subject to the provisions of this Order and except as may be specifically provided in the Credit Bid APA, the Debtors may sell the Credit Bid Assets free and clear of all liens, claims, encumbrances, and other interests of any kind or nature whatsoever, because, in each case, one or more of the standards set forth in section 363(f)(1) through (5) of the Bankruptcy Code have been satisfied. Each entity with a lien, claim, encumbrance, or other interest in the Credit Bid Assets to be transferred on the Closing Date: (i) has, subject to the terms and conditions of this Order, consented to the Credit Bid APA or is deemed to have consented; (ii) has an interest in a lien and the price at which the property is to be sold is greater than the aggregate value of all liens on the property; or (iii) otherwise falls within the provisions of section 363(f) of the Bankruptcy Code. Those holders of liens, claims, encumbrances, and other interests who did not object to the Motion are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code.

P. **Not a Sub Rosa Plan.** The Credit Bid APA and Settlement Agreement do not constitute an impermissible *sub rosa* chapter 11 plan for which approval has been sought without the protections that a disclosure statement would afford. The Credit Bid APA and Settlement Agreement neither impermissibly restructure the rights of Debtors' creditors nor impermissibly dictate the terms of a plan for the Debtors.

Q. **No Fraudulent Transfer.** The Credit Bid APA and the Settlement Agreement were not entered into for the purpose of hindering, delaying, or defrauding creditors under the Bankruptcy Code or under the laws of the United States or any state, territory, or possession thereof, or the District of Columbia. None of the relevant parties have entered into the Credit Bid APA or the Settlement Agreement fraudulently.

R. **No Successor Liability.** The Purchaser and its affiliates (i) are not, and shall not be, considered a successor in interest to the Debtors, (ii) have not, *de facto* or otherwise, merged with or into the Debtors, (iii) are not a continuation or substantial continuation of the Debtors or any enterprise of the Debtors, and (iv) are not holding themselves out to the public as a continuation of the Debtors. Except as otherwise specifically provided in the Credit Bid APA, the transfer of the Credit Bid Assets to the Purchaser does not and will not subject the Purchaser or any of their affiliates to any Liability (as defined in the Credit Bid APA) whatsoever with respect to the operation of the Debtors' businesses before the Closing Date or by reason of such transfer under the laws of the United States, any state, territory, or possession thereof, or the District of Columbia, based, in whole or in part, directly or indirectly, on any theory of law or equity, including, without limitation, any theory of antitrust, successor, or transferee liability.

S. **Prompt Consummation.** The Credit Bid APA and Settlement Agreement must be approved and consummated promptly to preserve the viability of the business and maximize the value of the Debtors' estates. Time is of the essence in consummating the Credit Bid APA and Settlement Agreement.

T. The Debtors have demonstrated compelling circumstances and a good, sufficient, and sound business purpose and justification for the immediate approval and consummation of

the transactions contemplated by the Credit Bid APA and Settlement Agreement before dismissal of the Debtors' chapter 11 cases.

U. **Duties and Authority of First Priority Notes Collateral Agent.** In accordance with the First Priority Notes indenture (the "*First Priority Indenture*"), the holders of a majority in aggregate principal amount of the outstanding First Priority Notes consented to and directed the First Priority Notes Collateral Agent to, among other things, (i) execute, deliver, and perform the Credit Bid APA, (ii) credit bid up to the full amount of the outstanding indebtedness under the First Priority Indenture pursuant to section 363(k) of the Bankruptcy Code with respect to the Credit Bid Assets, (iii) cause the credit bid to be in the name of the Purchaser, and (iv) cause the Purchaser to acquire and assume from EOC, pursuant to section 363 of the Bankruptcy Code, all of the Credit Bid Assets in accordance with the Credit Bid APA. The directing holders agreed, each in accordance with its proportionate share, to indemnify and hold harmless the First Priority Notes Collateral Agent and each officer, director, and employee of the First Priority Notes Collateral Agent from and against any and all losses incurred or suffered as a result of such direction. The remaining First Priority Noteholders have not objected to approval of the Motion, the Credit Bid APA, or the Settlement Agreement including the direct allocation, by the Debtors, to the Wind Down Account of any and all proceeds and consideration from the Sale, and all First Priority Noteholders are being provided an opportunity to participate in the transactions contemplated thereby on an equal and ratable basis. Accordingly, the Court finds that the First Priority Notes Collateral Agent has full power and authority to execute, deliver, and perform the Credit Bid APA and Settlement Agreement on behalf of all First Priority Noteholders.

V. Based upon a review of the record, the Court finds that the First Priority Notes Collateral Agent, diligently and in good faith, discharged its duties and obligations pursuant to

the First Priority Indenture, and otherwise conducted itself with respect to all matters in any way related to the First Priority Notes, the First Priority Indenture, and the First Priority Noteholders with the same degree of care and skill that a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Accordingly, the Court finds that the First Priority Notes Collateral Agent has discharged its duties fully in accordance with the Indenture.

W. **Good and Sufficient Cause.** There is other good and sufficient cause to grant the relief requested in the Motion and approve the Credit Bid APA and Settlement Agreement.

X. **Fair and Reasonable.** Based upon a review of the record, the Court finds that the Credit Bid APA and Settlement Agreement are prudent, reasonable, fair and equitable, in the best interests of the Debtors' estates, and reflect the sound and reasonable exercise of business judgment by the Debtors and the First Priority Notes Collateral Agent.

Y. **EEUK Term Loan Lender Releases.** Based upon a review of the record, the Court finds that the EEUK Term Loan Lender Releases (as defined below) are prudent, reasonable, fair and equitable, in the best interests of the Debtors' estates and reflect the sound and reasonable exercise of business judgment by the Debtors, and satisfy the standards of Bankruptcy Rule 9019.

Z. **Legal and Factual Bases.** The findings of fact and conclusions of law herein constitute the Court's findings of fact and conclusions of law for the purposes of Bankruptcy Rule 7052, made applicable pursuant to Bankruptcy Rule 9014. To the extent any findings of facts are conclusions of law, they are adopted as such. To the extent any conclusions of law are findings of fact, they are adopted as such. The Court's findings shall also include any oral

findings of fact and conclusions of law made by the Court during or at the conclusion of the Sale Hearing.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

General Provisions

1. The notice of the Sale Motion and Sale Hearing are approved as being fair, reasonable, and adequate under the circumstances, and any additional notice as may otherwise be required under state and federal law is hereby deemed satisfied.

2. The Motion is **GRANTED**, on an interim basis, to the extent set forth herein.

3. All objections to the relief requested in the Motion or the entry of this Order, if any, that have not been withdrawn, waived, or settled as announced to the Court at the Sale Hearing are denied and overruled in their entirety on the merits, with prejudice.

Approval of Free and Clear Sale of the Credit Bid Assets

4. The Credit Bid APA, all exhibits and schedules thereto, all ancillary documents, and all of the terms and conditions thereof are hereby approved. Subject to paragraph 6(ii) herein, the portion of the First Priority Noteholders' claims not credit bid as part of the Credit Bid Transaction and pursuant to the Credit Bid APA shall remain outstanding against the Debtors and any of its assets not purchased by the Purchaser, and the First Priority Collateral Agent and the First Priority Noteholders shall continue to be protected by and entitled to the benefit of the terms and provisions of the Adequate Protection Stipulation and the Indenture and any other orders entered by the Court in respect thereof.

5. Pursuant to sections 105 and 363 of the Bankruptcy Code, the Debtors are authorized to (i) execute, deliver, and perform under, consummate, and implement the Credit Bid APA together with all additional instruments and documents that are requested by the Purchaser and may be reasonably necessary or desirable to implement the Credit Bid APA and (ii) take any

and all actions as they deem necessary, appropriate, or advisable for the purpose of assigning, transferring, granting, conveying, and conferring to the Purchaser, or reducing to possession the Credit Bid Assets, or as may be necessary or appropriate to the performance of the obligations as contemplated by the Credit Bid APA, including, without limitation, any and all actions reasonably requested by the Purchaser which are consistent with the Credit Bid APA.

6. Pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, upon the Closing: (i) the transfer of the Credit Bid Assets to the Purchaser pursuant to the Credit Bid APA shall constitute a legal, valid, and effective transfer of the Credit Bid Assets and shall vest the Purchaser with all right, title, and interest in and to the Credit Bid Assets; (ii) the Credit Bid Assets shall be transferred to the Purchaser free and clear of all liens, claims, encumbrances, and other interests of any kind and every kind whatsoever (including, but not limited to, any liens, claims, encumbrances, and other interests of any Governmental Body, any claims or assertions based on any theory of successor or transferee liability, and any restriction on the use, transfer, receipt of income, or other exercise of any attributes of ownership of the Credit Bid Assets) other than those liens, claims, encumbrances, and other interests specifically assumed by the Purchaser pursuant to the Credit Bid APA; and (iii) all persons are forever prohibited and enjoined from commencing or continuing in any manner any action or other proceeding, whether in law or equity, against the Purchaser and its affiliates with respect to any such liens, claims, encumbrances, and other interests (including, but not limited to, any liens, claims, encumbrances, and other interests of any Governmental Body (as defined in the Credit Bid APA), any claims or assertions based on any theory of successor or transferee liability, and any restriction on the use, transfer, receipt of income, or other exercise of any attributes of ownership of the Credit Bid Assets).

7. Upon entry of this Order, immediately prior to, upon, or after dismissal of the chapter 11 cases, each Debtor is authorized and empowered to take all reasonably necessary steps to dissolve under applicable law, including taking such actions, executing such documents, and expending such funds as may be reasonably necessary to carry out or otherwise effectuate the terms of this Order. EIC is authorized, empowered, and directed to take all necessary actions to dissolve under applicable law, including the laws of the State of Nevada, its state of incorporation, without stockholder approval. The Chief Restructuring Officer, Chief Financial Officer and any other appropriate officer of EIC are authorized to execute and file all necessary documents and take all such actions as may be necessary or appropriate to effectuate the dissolution of EIC under applicable law.

8. On the Closing Date, this Order shall be construed and shall constitute for any and all purposes a full and complete general assignment, conveyance, and transfer of the Debtors' interests in the Credit Bid Assets or a bill of sale transferring good and marketable title in the Credit Bid Assets.

9. Upon entry of this Order, in accordance with the First Priority Indenture and applicable law, the First Priority Notes Collateral Agent is granted the authority to act on behalf of the First Priority Noteholders to enforce the rights and remedies of the First Priority Noteholders, including but not limited to consummating the transactions provided for in the Motion and the Credit Bid APA.

10. All First Priority Noteholders that are not parties to the Credit Bid APA (the "*Minority Noteholders*") shall file all objections, if any, to the Final Sale Order by **Monday, September 14, 2015 at 4:00 p.m. (prevailing Eastern Time)** (the "*Supplemental Objection Deadline*"). In the event that any Minority Noteholder files an objection to entry of the Final

Sale Order, the Court shall conduct a hearing on or around **Thursday, September 24, 2015** to resolve any objections raised by any Minority Noteholders and to consider approval of the Final Sale Order. Any objections filed by the Minority Noteholders must be served on (i) the Office of the United States Trustee for the District of Delaware (Attn: Tiiara N. A. Patton); (ii) the Debtors, c/o Endeavour Operating Corporation, 811 Main Street, Suite 2100, Houston, TX 77002 (Attn: Catherine Stubbs and David Baggett); (iii) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153 (Attn: Gary T. Holtzer, Esq. and Stephen A. Youngman, Esq.), and Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801 (Attn: Mark D. Collins, Esq. and Zachary I. Shapiro, Esq.); (iv) counsel to the Ad Hoc Group of EEUK Term Loan Lenders, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael Stamer, Esq. and Meredith Lahaie, Esq.); (v) counsel to the Committee, Thompson & Knight LLP, One Arts Plaza, 1722 Routh Street, Suite 1300, Dallas, TX 75201 (Attn: David M. Bennett, Esq. and Cassandra Sepanik Shoemaker, Esq.) and Bayard, P.A., 222 Delaware Avenue, Suite 900, Wilmington, DE 19801 (Attn: Neil B. Glassman, Esq., Scott D. Cousins, Esq., and Evan T. Miller, Esq.); (vi) counsel to First Priority Noteholders, Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, NY 10005 (Attn: Dennis F. Dunne, Esq. and Michael E. Comerford, Esq.); (vii) counsel to certain of the holders of the 5.5% Convertible Senior Notes due 2016 and the 6.5% Convertible Senior Notes due 2016, Brown Rudnick LLP, Seven Times Square, New York, NY 10036 (Attn: Robert J. Stark, Esq.); (viii) counsel to the holder of the 7.5% Guaranteed Convertible Bonds due 2016, Ropes & Gray LLP, 1211 Avenue of the Americas, New York, NY 10036 (Attn: Keith H. Wofford, Esq.); (ix)

counsel to the First Priority Notes Collateral Agent, Reed Smith LLP, 225 Fifth Avenue, Suite 1200, Pittsburgh, PA 15222 (Attn: Eric A. Schaffer, Esq.).

11. The Closing shall not occur until after approval of the Final Sale Order by the Court.

Releases

12. This Order is and shall be effective as a determination that all liens, claims, encumbrances, and other interests shall be and are, without further action by any Person, unconditionally released, discharged, and terminated with respect to the Credit Bid Assets as of the Closing Date, except as may otherwise be set forth in the Credit Bid APA.

13. Pursuant to Bankruptcy Rule 9019 and section 105(a) of the Bankruptcy Code, upon the entry of this Order, the Debtors conclusively, absolutely, unconditionally, irrevocably and forever, release and discharge the EEUK Term Loan Lenders from any and all claims, obligations, rights, suits, damages, causes of action, remedies and liabilities whatsoever, including any derivative claims asserted on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, based on, relating to or arising out of the claims and liens granted by the Debtors to the EEUK Term Loan Lenders under the Lender Protection Order and the EEUK Credit Agreement, including but not limited to any and all claims, claims objections, and causes of action alleged in the UCC Pleadings (the “*EEUK Term Loan Lender Releases*”). Upon entry of this Order, the UCC Pleadings shall be deemed moot and withdrawn with prejudice.

14. Upon Closing, the Credit Bid Noteholders conclusively, absolutely, unconditionally, irrevocably and forever, release and discharge each and every former and current director and officer (the “*Released Parties*”) of each of Endeavour International

Corporation (“*EIC*”), a Nevada corporation, Endeavour Colorado Corporation, a Delaware corporation, END Management Company, a Delaware corporation, Endeavour Energy New Ventures, Inc., a Delaware corporation, Endeavour Energy Luxembourg S.a.r.l., an entity formed pursuant to the Laws of Luxembourg, each other Subsidiary of EIC (such aforementioned entities, collectively, the “*Subject Entities*”) from any and all claims, obligations, rights, suits, damages, causes of action, remedies and liabilities whatsoever, including any derivative claims asserted on behalf of a Subject Entity, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that such entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Subject Entities, the Subject Entities’ restructuring, the Bankruptcy Cases, the purchase, sale or rescission of the purchase or sale of any security of the Subject Entities, the subject matter of, or the transactions or events giving rise to, any claim, the business or contractual arrangements between any Subject Entity and any Released Party, the restructuring of claims and equity interests before or during the Bankruptcy Cases, the negotiation, formulation, preparation or withdrawal of the Plan, the Restructuring Support Agreement (as such terms are defined in the Credit Bid APA) or the termination thereof, the Settlement Agreement, the Credit Bid APA or related agreements, instruments, or other documents, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the date hereof, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes gross negligence, willful misconduct, or fraud.

15. Except as otherwise provided herein, in the Credit Bid APA or in the Settlement Agreement, on the Closing Date, the Debtors’ creditors are authorized and directed to execute

such documents and instruments and to take all other actions as may be reasonably necessary to document and effectuate the release of their liens, claims, encumbrances, and other interests in the Credit Bid Assets, if any, as such liens, claims, encumbrances, and other interests may have been recorded or may otherwise exist. If any such creditor fails to execute any such documents or instruments or take any such actions, the Purchaser is authorized to execute such documents and instruments and to take such actions on behalf of the creditor so as to document the release of such liens, claims, encumbrances, and other interests.

No Successor Liability

16. The Purchaser and its affiliates, successors, and assigns shall not be deemed, as a result of any action taken in connection with the transfer of the Credit Bid Assets, to (i) be a successor to the Debtors or their estates, (ii) have, *de facto* or otherwise, merged or consolidated with or into the Debtors or their estates, or (iii) be a continuation or substantial continuation of the Debtors or any enterprise of the Debtors, and the Purchaser and their affiliates shall have no successor, transferee or vicarious liability of any kind or character, including, but not limited to, under any theory of foreign, federal, state or local antitrust, environmental, successor, tax, assignee or transferee liability, labor, product liability, employment, *de facto* merger, substantial continuity, or other law, rule, or regulation, whether known or unknown as of the closing of the sale, now existing or hereafter arising, whether asserted or unasserted, fixed or contingent, liquidated or unliquidated with respect to the Debtors or any obligations of the Debtors arising prior to the Closing Date, including, but not limited to, liabilities on account of any taxes or other Governmental Body fees, contributions, or surcharges arising, accruing, or payable under, out of, in connection with, or in any way relating to, the operation of the Credit Bid Assets prior to the Closing Date. Except as otherwise provided herein or in the Credit Bid APA, the transfer of the Credit Bid Assets to the Purchaser pursuant to the Credit Bid APA shall not result in the

Purchaser or their affiliates, members, or shareholders, or the Credit Bid Assets, having any liability or responsibility for, or being required to satisfy in any manner, whether in law or in equity, whether by payment, setoff or otherwise, directly or indirectly, (i) any claim against the Debtors or against any insider of the Debtors, or (ii) any lien, claim, encumbrance, or other interest.

17. Upon the Closing Date, the Purchaser shall not be liable for any claims against, and liabilities of, the Debtors or any of the Debtors' predecessors or affiliates.

18. The Purchaser has given substantial consideration under the Credit Bid APA to the Debtors' estates. The consideration given by the Purchaser shall constitute valid and valuable consideration for the releases of any potential claims of successor or transferee liability of the Purchaser, which releases shall be deemed to have been given in favor of the Purchaser by all holders of liens, claims, encumbrances, and other interests against the Debtors or the Credit Bid Assets.

No Fraudulent Transfer

19. The consideration provided by the Purchaser under the Credit Bid APA constitutes (i) reasonably equivalent value under the Bankruptcy Code and the Uniform Fraudulent Transfer Act, (ii) fair consideration under the Uniform Fraudulent Conveyance Act, and (iii) reasonably equivalent value, fair consideration, and fair value under any other applicable laws of the United States, any state, territory, or possession thereof, or the District of Columbia. The consideration provided by the Purchaser for the Credit Bid Assets under the Credit Bid APA is fair and reasonable and may not be avoided under section 363(n) of the Bankruptcy Code.

Good Faith

20. The Credit Bid APA is undertaken by the First Priority Notes Collateral Agent without collusion and in good faith, as that term is used in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Credit Bid APA shall not affect the validity of the sale of the Credit Bid Assets to the Purchaser, unless this Order is duly stayed pending such appeal. The First Priority Notes Collateral Agent is a good faith purchaser of the Credit Bid Assets and is entitled to all of the benefits and protections afforded by section 363(m) of the Bankruptcy Code. In accordance with the Court's findings set forth in paragraphs U and V above, the First Priority Notes Collateral Agent has discharged its duties fully in accordance with the Indenture and related documents, and the Settlement Agreement.

Proceeds of Sale of U.S. Oil and Gas Assets

21. Subject to, and in accordance with the terms of the Credit Bid APA and the Settlement Agreement, the net proceeds from any sale of the assets or equity of Endeavour Colorado Corporation shall be utilized to repay principal under the EEUK Credit Agreement. Subject to, and in accordance with the terms of the Credit Bid APA and the Settlement Agreement, the net proceeds from any sale of the Debtors' U.S. oil and gas assets that are not assets of Endeavour Colorado Corporation shall be distributed as follows: (i) 47% of such proceeds shall be utilized to repay principal under the EEUK Credit Agreement, and (ii) 53% of such proceeds and consideration shall be paid and deposited by the Debtors into a segregated EOC bank account (the "*Wind Down Account*"). Subject to, and in accordance with, the terms of the Credit Bid APA and the Settlement Agreement, the proceeds and consideration deposited in the Wind Down Account (the "*Noteholder Asset Sale Proceeds*") shall be utilized as follows: (i) first, to fund the Wind Down Expenses in accordance with the Wind Down Budget (as such

terms are defined in the Credit Bid APA) and the terms of the Credit Bid APA, and (ii) second, to repay any additional Wind Down Payments made by EEUK, and (iii) third, to the extent there are surplus Noteholder Asset Sale Proceeds after satisfaction of all Wind Down Expenses in accordance with the Wind Down Budget, such surplus shall be utilized to repay principal under the EEUK Credit Agreement in accordance with the terms of the Credit Bid APA and the Settlement Agreement.

22. Upon entry of this Order, the Credit Bid Noteholders and the Ad Hoc Group shall have a first priority security interest in the Wind Down Account.

Settlement Agreement

23. The Settlement Agreement is fair, reasonable, and in the best interests of the Debtors' estates.

24. The Debtors (i) are duly authorized and empowered to effectuate the terms set forth in the Settlement Agreement, (ii) are duly authorized and empowered to execute, deliver, implement, and fully perform any and all obligations, instruments, documents and papers that may be necessary or appropriate to consummate or implement the transactions contemplated by the Settlement Agreement, and (iii) shall have the right both in connection with and following consummation of the Settlement Agreement to consent to any amendment, restatement, waiver, supplement, or other modification of any of the transactions described therein. Any such actions may be taken without (a) the necessity of further court proceedings or approval or (b) any consent of any other party, and shall be conclusive and binding in all respects on all parties in interest in these cases.

Preservation of Records

25. Pursuant to the terms of the Credit Bid APA, the Purchaser shall preserve and keep the records held by it or its Affiliates relating to the Debtors' businesses for a period of seven (7) years from the Closing Date and shall make, or cause its Affiliates to make, such records and personnel available to EOC as may be reasonably requested by EOC. In the event Purchaser wishes to destroy such records before or after that time, Purchaser shall first give thirty (30) days prior written notice to EOC, and EOC shall have the right at its option and sole expense, upon prior written notice given to Purchaser within such thirty (30) day period, to take possession of the records within thirty (30) days after the date of such notice.

Additional Provisions

26. This Order is and shall be binding upon and shall govern acts of all entities including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of fees, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons, who may be required by operation of law, the duties of their office, or contract, to accept, file, register, or otherwise record or release any documents or instruments that reflect that the Purchaser is the assignee and owner of the Credit Bid Assets free and clear of all liens, claims, encumbrances, and other interests (all such entities being referred to as "**Recording Officers**"). All Recording Officers are authorized and specifically directed to strike recorded liens, claims, encumbrances, and interests against the Credit Bid Assets recorded prior to the date of this Order unless the Credit Bid APA expressly provides that the Purchaser is acquiring the Credit Bid Assets subject to such claims, liens, and interests.

27. To the greatest extent available under applicable law, the Purchaser shall be authorized, as of the Closing Date, to operate under any license, permit, registration, and governmental authorization or approval of the Debtors with respect to the Credit Bid Assets, and all such licenses, permits, registrations, and governmental authorizations are deemed to have been, and hereby are, deemed to be transferred to the Purchaser as of the Closing Date.

28. To the extent provided by section 525 of the Bankruptcy Code, no governmental unit may revoke or suspend any permit or license relating to the operation of the Credit Bid Assets sold, transferred, or conveyed to the Purchaser on account of the filing or pendency of these chapter 11 cases or the consummation of the Credit Bid APA.

29. Following the Closing Date, no holder of any lien, claim, encumbrance, or other interest on the Credit Bid Assets or other party in interest may interfere with the Purchaser's use and enjoyment of the Credit Bid Assets based on or related to such lien, claim, encumbrance, or other interest, or any actions that the Debtors may take in their chapter 11 cases, and no party may take any action to prevent, interfere with or otherwise enjoin consummation of the Credit Bid APA.

30. Except as expressly permitted or otherwise specifically provided by the Credit Bid APA or this Order, all persons and entities, including, but not limited to, all debt security holders, equity security holders, governmental, tax and regulatory authorities, lenders, trade and other creditors, holding interests of any kind or nature whatsoever against or in the Debtors or the Credit Bid Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, senior or subordinated), arising under or out of, in connection with, or in any way relating to, the Debtors, the Credit Bid Assets, the ownership or operation of the Credit Bid Assets prior to the closing of the sale, or the sale of the Credit Bid Assets are

forever barred, estopped, and permanently enjoined from asserting against the Purchaser, its successors or assigns, its property, or the Credit Bid Assets, such persons' or entities' interests.

31. No bulk sales law or any similar law of any state or other jurisdiction shall apply in any way to the transactions authorized herein, including the Credit Bid APA.

32. The terms and provisions of the Credit Bid APA, the Settlement Agreement, the ancillary agreements, and this Order shall be binding in all respects upon, and shall inure to the benefit of, the Debtors, the Purchaser, and their respective affiliates, successors, and assigns, their estates, all creditors of (whether known or unknown) and holders of equity interests in the Debtors, and any affected third parties, notwithstanding the dismissal of any of the Debtors' cases or any subsequent appointment of any trustee(s) under any chapter of the Bankruptcy Code or conversion of the Debtors' cases to cases under chapter 7, as to which trustee(s) such terms and provisions likewise shall be binding and not subject to rejection or avoidance. The Credit Bid APA, the Settlement Agreement and this Order shall be enforceable against and binding upon, and shall not be subject to rejection or avoidance by, any chapter 7 or chapter 11 trustee appointed in the Bankruptcy Cases. Further, nothing contained in any plan confirmed in these chapter 11 cases or any order confirming any plan or any other order entered in these cases shall conflict with or derogate from the provisions of the Credit Bid APA, the Settlement Agreement or the terms of this Order.

33. The Credit Bid APA, the Settlement Agreement and any related agreements, documents, or other instruments may be amended by the parties in a writing signed by such parties without further order of the Court, provided that any such amendment does not have a material adverse effect on the Debtors or the Debtors' estates.

34. The failure to include specifically any particular provision of the Credit Bid APA or the Settlement Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Credit Bid APA and the Settlement Agreement be authorized and approved in their entirety.

35. To the extent of any inconsistency between the provisions of this Order, the Settlement Agreement and the Credit Bid APA, and any documents executed in connection therewith, the provisions contained in this Order, the Settlement Agreement, the Credit Bid APA, and any documents executed in connection therewith shall govern, in that order.

36. Nothing in this Order, the Credit Bid APA, the Settlement Agreement or any document executed in connection with the consummation thereof shall authorize or constitute a transfer of title to property which is excluded from the property of the Debtors' estates pursuant to section 541(b)(4) of the Bankruptcy Code.

37. The provisions of this Order are non-severable and mutually dependent. Headings are included in this Order for ease of reference only.

38. The provisions of this Order authorizing the sale and assignment of the Credit Bid Assets free and clear of all liens, claims, encumbrances, and other interests shall be self-executing, and notwithstanding the failure of the Debtors, the Purchaser, or any other party to execute, file, or obtain releases, termination statements, assignments, consents, or other instruments to effectuate, consummate and/or implement the provisions hereof, all liens, claims, encumbrances, and other interests (other than those expressly assumed by the Purchaser or permitted to survive under the Credit Bid APA) on or against such Credit Bid Assets, if any, shall be deemed released, discharged, and terminated.

39. From time to time, as and when requested by any party, each party to the Credit Bid APA shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as such other party may reasonably deem necessary or desirable to consummate the Credit Bid APA, including such actions as may be necessary to vest, perfect, or confirm, of record or otherwise, in Purchaser its right, title, and interest in and to the Credit Bid Assets.

40. Notwithstanding the provisions of Bankruptcy Rule 6004(h), this Order shall be effective and enforceable immediately and shall not be stayed. Time is of the essence in effectuating the Credit Bid APA and the Settlement Agreement, and the Debtors and the Purchaser intend to complete the transactions contemplated thereby as soon as practicable.

41. Notice of the entry of this Order shall be served on the Notice Parties.

42. This Court shall retain exclusive jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions of this Order, the Credit Bid APA and the Settlement Agreement, all amendments thereto, and any waivers and consents thereunder, and each of the agreements executed in connection therewith, including, but not limited to, retaining jurisdiction to (i) compel delivery of the Credit Bid Assets to the Purchaser; (ii) interpret, implement, and enforce the provisions of this Order, the Credit Bid APA and the Settlement Agreement; (iii) adjudicate, if necessary, any and all disputes arising out of, concerning, or otherwise relating in any way to the Credit Bid APA or the Settlement Agreement; and (iv) protect the Purchaser against any liens, encumbrances, claims, and interests in the Credit Bid Assets of any kind or nature whatsoever.

Dated: _____, 2015
Wilmington, Delaware

THE HONORABLE KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE

Attachment 1

Credit Bid APA

ASSET PURCHASE AGREEMENT

BY AND AMONG

WELLS FARGO BANK, NATIONAL ASSOCIATION,
(as trustee and collateral agent on behalf of the Noteholders
and not in its individual capacity),

ENDEAVOUR INTERNATIONAL CORPORATION,
(as EIC, the ultimate parent of Seller),

ENDEAVOUR OPERATING CORPORATION,
(as Seller),

and

The “PRIORITY NOTEHOLDERS” signatory hereto,
(solely with respect to Article IX and Article XII hereof)

Dated as of August 3, 2015

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ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT (this "Agreement"), dated as of August 3, 2015, by and among Wells Fargo Bank, National Association, in its capacity as trustee and collateral agent under the Indenture Documents and not in its individual capacity (the "Agent"), Endeavour International Corporation, a Nevada corporation (being a debtor and debtor-in-possession under sections 1107(a) and 1108 of the Bankruptcy Code) ("EIC"), Endeavour Operating Corporation, a Delaware corporation and wholly-owned subsidiary of EIC (being a debtor and debtor-in-possession under sections 1107(a) and 1108 of the Bankruptcy Code) (the "Seller"), and, solely for the purposes of Articles IX and XII, the Priority Noteholders (as defined below). Capitalized terms used herein and not otherwise defined in context are defined in Section 1.1.

WITNESSETH:

WHEREAS, reference is made to that certain Indenture, dated as of February 23, 2012, by and among EIC, Seller, the other guarantors party thereto, and the Agent, as trustee and collateral agent, under which, EIC issued the Indenture Notes in an aggregate principal amount of four hundred and four million dollars (the "Indenture");

WHEREAS, on October 10, 2014 (the "Petition Date"), EIC, Seller and certain of their Affiliates filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware, and these cases are being jointly administered for procedural purposes only under Case No. 14-12308(KJC) (collectively, the "Bankruptcy Cases");

WHEREAS, from and after the Petition Date, EIC, Seller, and certain of their Affiliates have been operating their respective businesses and managing their respective properties as debtors-in-possession under sections 1107 and 1108 of the Bankruptcy Code;

WHEREAS, the Priority Noteholders delivered the Direction Letter (as defined below) to the Agent prior to the date hereof;

WHEREAS, Seller desires to sell, transfer and assign to Purchaser, and the Agent, subject and pursuant to the Direction Letter, desires to cause Purchaser to acquire and assume from Seller, pursuant to section 363 of the Bankruptcy Code, all of the Purchased Assets as more specifically provided herein;

WHEREAS, under the Indenture Documents, the Agent holds a perfected first priority Lien on the Intercompany Note and on 65% of the EIH Equity (collectively, the "Encumbered Purchased Assets");

WHEREAS, the Agent, as agent on behalf of the Noteholders, in consideration of the Encumbered Purchased Assets and in satisfaction of the Lien thereon, may credit bid, for the benefit of and on behalf of Purchaser, up to 100% of the outstanding Indebtedness under the Indenture Documents pursuant to section 363(k) of the Bankruptcy Code (the "Credit Bid") with respect to the Encumbered Purchased Assets; and

WHEREAS, the Priority Noteholders have entered into a settlement agreement (the "Settlement Agreement") with the Ad Hoc Group with respect to the ownership of Purchaser and certain amendments to the EEUK Credit Agreement, and this Agreement is being entered into in connection with such Settlement Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereby agree as follows:

**ARTICLE I
DEFINITIONS**

1.1 Certain Definitions.

For purposes of this Agreement, the following terms shall have the meanings specified in this Section 1.1:

“Amendment to the EEUK Credit Agreement” means that certain amendment to the EEUK Credit Agreement, to be entered into among the parties thereto and to be dated as of the Closing Date.

“Ad Hoc Group” means, collectively, the lenders under the EEUK Credit Agreement who are also party to the Settlement Agreement (and their respective assignees, successors and assigns).

“Affiliate” means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person, and the term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

“Alternative Transaction” means, other than the transactions contemplated by this Agreement, any (i) sale, transfer or other disposition, directly or indirectly, of any of the Purchased Assets or any of the properties or assets of EIH or any of its Subsidiaries, other than any sale, transfer or disposition of oil and natural gas in the Ordinary Course of Business, (ii) issuance, sale, transfer or other disposition, in each case by EIC, Seller, EIH or any of their Subsidiaries, directly or indirectly, of any class of equity securities, ownership interests or voting securities of EIH or any of its Subsidiaries or any equity securities, ownership interests, securities, options, warrants, calls, rights or contracts convertible into, exchangeable for or evidencing the right to subscribe for or purchase equity securities, ownership interests or voting securities of EIH or any of its Subsidiaries, (iii) merger, consolidation, recapitalization, business combination or other similar transaction involving, directly or indirectly EIH or any of its Subsidiaries, (iv) Chapter 11 plan of reorganization, scheme of arrangement, UK administration, or other restructuring or reorganization for, or liquidation of, EIH or any of its Subsidiaries, (v) consummation of any state court foreclosure action as to a material portion of the Purchased Assets or the assets of EIH and its Subsidiaries, taken as a whole or (vi) successful credit bid transaction with respect to the Purchased Assets or any of the assets of EIH or any of its Subsidiaries (whether directly or indirectly through a credit bid transaction involving EIC or any of its Subsidiaries or otherwise).

“Bankruptcy Code” means title 11 of the United States Code, 11 U.S.C. § 101 *et seq.*

“Bankruptcy Court” means the United States Bankruptcy Court for the District of Delaware.

“Bid Procedures” means the bid procedures authorized and approved by the Bid Procedures Order.

“Bid Procedures Motion” means the motion, dated April 29, 2015, filed with the Bankruptcy Court in connection with the Bankruptcy Cases seeking approval of the Bid Procedures.

“Bid Procedures Order” means the order entered by the Bankruptcy Court on May 20, 2015 with respect to the Bid Procedures Motion.

“Business” means the business of EIH and its Subsidiaries as it has historically been conducted or is currently proposed to be conducted as of the date hereof.

“Business Day” means any day of the year that is not a Saturday or a Sunday on which national banking institutions in New York, New York are open to the public for conducting business and are not required or authorized to close.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commitment” means any contract, agreement, understanding or other commitment, whether written or oral, that is binding on any Person or any part of its property or assets under applicable Law.

“EEUK” means Endeavour Energy UK Limited, an entity formed pursuant to the Laws of England and Wales.

“EEUK Agent” has the meaning ascribed to such term in Section 1.1 within the definition of “EEUK Credit Agreement”.

“EEUK Credit Agreement” means that certain Credit Agreement, dated as of September 30, 2014, by and among EIH and End Finco LLC, a Delaware limited liability company, as borrowers, EIC, the lenders party thereto and Credit Suisse AG, Cayman Islands Branch, as Administrative and Collateral Agent (the “EEUK Agent”).

“EIC-EEUK Services Agreement” means that certain Services Agreement, dated as of January 1, 2014, by and between EIC and EEUK.

“EIH” means Endeavour International Holding B.V., an entity formed under the Laws of the Netherlands.

“EIH Equity” means all of the issued and outstanding capital stock of EIH.

“Endeavour Colorado” means Endeavour Colorado Corporation, a Delaware corporation.

“First Lien Indebtedness” means the Indebtedness outstanding under the Indenture Documents, including all interest due and owing thereunder and all unpaid fees and expenses.

“GAAP” means generally accepted accounting principles in the United States as of the date hereof.

“Governmental Body” means any government or governmental or regulatory body thereof, or political subdivision thereof, whether foreign, federal, state, or local, or any agency, instrumentality or authority thereof, or any court or arbitrator (public or private) (including the Bankruptcy Court).

“Indebtedness” of any Person means, at any time and without duplication, (i) the principal of and premium (if any) in respect of (A) indebtedness of such Person for money borrowed and (B) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable; (ii) all obligations of such Person issued or assumed as, created under or arising out of the deferred purchase price of property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding trade accounts payable and other accrued current liabilities arising in the Ordinary Course of Business of such Person); (iii) all obligations of such Person under leases required to be capitalized in accordance with GAAP; (iv) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker’s acceptance or similar credit transaction; (v) the liquidation value of all redeemable preferred stock of such Person; (vi) all obligations of the type referred to in clauses (i) through (v) of any Persons for the payment of which such Person is responsible or liable, directly or indirectly, as obligor, guarantor, surety or otherwise, including guarantees of such obligations; and (vii) all obligations of the type referred to in clauses (i) through (vi) of other Persons secured by any Lien on any property or asset of such Person (whether or not such Person has assumed or become liable for such obligation).

“Indenture Deed” means that certain First Priority Security Assignment, dated as of May 31, 2012, by and between Seller and the Agent.

“Indenture Documents” means the Indenture, the Indenture Notes, the Intercreditor Agreement (as defined in the Indenture Deed), the Pledge and Security Agreement (as defined in the Indenture Deed), the Indenture Deed, the other Security Documents (as defined in the Deed) and any other agreement or instrument executed pursuant to the terms of the Indenture.

“Indenture Notes” means the 12% First Priority Notes due in 2018 (together with any additional notes) issued under the Indenture.

“Intercompany Note” means the intercompany note issued pursuant to the Intercompany Note Agreement.

“Intercompany Note Agreement” means that certain Inter-Company Loan Agreement, dated May 31, 2012, by and between Seller, as lender, and EEUK, as borrower.

“Intercompany Note Documents” means the Intercompany Note, the Intercompany Note Agreement and the Subordination Agreement.

“IRS” means the United States Internal Revenue Service.

“Law” means any federal, state, local, municipal, foreign or international, multinational or other law, statute, constitution, treaty, principle of common law, ordinance, code, policy, decree, determination, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, applied, implemented or otherwise put into effect by or under the authority of any Governmental Body (including the Bankruptcy Code).

“Legal Proceeding” means any judicial, administrative or arbitral actions, suits, proceedings (public or private) or claims or any proceedings by or before a Governmental Body.

“Liability” means any debt, loss, damage, adverse claim, liability, duty, responsibility, assessment, cost, expense, expenditure, fee, penalty, fine, contribution, premium or obligation (whether direct or indirect, known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due, regardless of when sustained, incurred or

asserted or when the relevant events occurred or circumstances existed, and whether in contract, tort, strict liability or otherwise), and including all costs and expenses relating thereto.

“Lien” means any lien, mechanics lien, pledge, mortgage, deed of trust, assignment, security interest, claim, encumbrance, lease, charge, hypothecation, option, right of first refusal, easement, proxy, voting trust or agreement, transfer restriction under any shareholder or similar agreement or encumbrance of any kind or nature whatsoever in respect of any property or asset, including any of the foregoing created by, arising under, or evidenced by any conditional sale or other title retention agreement, the interest of a lessor under a capital lease, any financing lease having substantially the same economic effect as any of the foregoing, or the filing of a financing statement naming the owner of the property or asset as to which such lien relates as the debtor under the Uniform Commercial Code or any comparable Law in any other jurisdiction.

“Material Adverse Effect” means any change, event, development, condition, occurrence or effect that (i) has a materially adverse effect on the operations, assets, liabilities or condition (financial or otherwise) of the Business or (ii) would materially impair or delay the ability of Seller to consummate the transactions contemplated hereby, *provided, however*, that none of the following, in and of themselves, shall constitute or be taken into account in determining whether there has been or is a Material Adverse Effect: (A) any change in the economy or securities or financial markets in general in the United States or internationally; (B) any change that generally affects the industry in which the Business operates; (C) any earthquakes, armed hostilities, acts of war, sabotage or terrorism or military actions or any escalation or material worsening of any such hostilities, acts of war, sabotage or terrorism or military actions existing or underway as of the date hereof; (D) the effect of any changes in applicable Laws or accounting rules; or (E) the effects of the filing of the Bankruptcy Cases or their administration; *provided, however*, that such matters in the case of clauses (A), (B), (C) and (D) shall be taken into account in determining whether there has been or is a Material Adverse Effect to the extent of any disproportionate impact on the operations, assets (including the Purchased Assets), liabilities or condition (financial or otherwise) of the Business (taken as a whole) relative to other similarly situated Persons.

“Noteholders” means the holders of the Indenture Notes.

“Order” means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award.

“Ordinary Course of Business” means the ordinary and usual course of normal day-to-day operations of the Business consistent with past practice.

“Permits” means any approvals, authorizations, consents, licenses, permits or certificates of a Governmental Body.

“Person” means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Body or other entity.

“Plan” means that certain joint chapter 11 plan of reorganization, styled *In re Endeavour Operating Corporation, et al.*, Case No. 14-12308 (KJC) previously filed in the Bankruptcy Court, including the Plan Supplement (as defined in the Plan) and any exhibits thereto.

“Priority Noteholders” means Apollo Capital Management, L.P. (“Apollo”), Aristeia Capital, LLC (“Aristeia”) and Avenue Investments, L.P. (“Avenue”).

“Purchaser” means the entity or entities designated as the “Purchaser” in the Purchaser Assignment pursuant to the terms thereof and the Settlement Agreement.

“Representatives” means, with respect to any Person, the officers, directors, employees, members, managers, partners, investment bankers, attorneys, accountants, consultants or other advisors, agents or representatives of such Person, when acting in such capacity on behalf of such Person.

“Restructuring Support Agreement” has the meaning ascribed to such term pursuant to the Plan.

“Sale Order” means interim and final order or orders of the Bankruptcy Court approving this Agreement and all of the terms and conditions hereof, and approving and authorizing Seller to consummate the transactions contemplated hereby, substantially in the form attached hereto as Exhibit E; *provided, however*, that if this Agreement is terminated by the Agent pursuant to Section 5.1 at any time prior to the entry of the Sale Order by the Bankruptcy Court, then the Sale Order shall only include approval of those terms and conditions of this Agreement which survive such termination pursuant to Section 5.3; and *provided, further*, that the Sale Order may include such changes as are (i) if such changes are not material or adverse to the Agent or the Priority Noteholders, reasonably acceptable to the Agent, subject and pursuant to the Direction Letter, and Seller, or (ii) if such changes are material or adverse to the Agent or the Priority Noteholders, acceptable to the Agent, subject and pursuant to the Direction Letter, and Seller.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Seller-EEUK Services Agreement” means that certain Services Agreement, dated as of January 1, 2014, by and between Seller and EEUK.

“Subordination Agreement” means that certain Subordination Agreement, dated as of September 30, 2014, by and among Seller, EIH, Endeavour Energy Luxembourg S.a.r.l., EEUK and Credit Suisse AG, as administrative and collateral agent under the Credit Agreement (as defined in the Subordination Agreement).

“Subsidiary” means, with respect to any Person, any other Person of which a majority of the outstanding voting securities or other voting equity interests are owned, directly or indirectly.

“Tax” or “Taxes” means (i) any and all federal, state, local or foreign taxes, charges, imposts, levies or other assessments, including all net income, gross receipts, capital, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, property and estimated taxes, customs duties, assessments and charges of any kind whatsoever, (ii) all interest, penalties, fines, additions to tax or additional amounts imposed by any Taxing Authority in connection with any item described in clause (i), and (iii) any Liability in respect of any items described in clauses (i) and/or (ii) payable by reason of contract, assumption, transferee or successor Liability, operation of Law, Treasury Regulation Section 1.1502-6(a) (or any predecessor or successor thereof or any analogous or similar provision under Law) or otherwise.

“Taxing Authority” means the IRS and any other Governmental Body responsible for the administration of any Tax.

“Tax Return” means any return, report or statement filed or required to be filed with respect to any Tax (including any attachments thereto, and any amendment thereof) including any information return, claim for refund, amended return or declaration of estimated Tax, and including, where permitted or required, combined, consolidated or unitary returns for any group of entities that includes the Company, any of its Subsidiaries, or any of their Affiliates.

1.2 Terms Defined Elsewhere in this Agreement. For purposes of this Agreement, the following terms have meanings set forth in the sections indicated:

<u>Term</u>	<u>Section</u>
Additional Taxes	11.5
Additional Wind Down Payment	9.6(b)
Agent	Preamble
Agreement	Preamble
Apollo	1.1 Definition of “Priority Noteholders”
Aristeia	1.1 Definition of “Priority Noteholders”
Asset Acquisition Statement	11.3
Avenue	1.1 Definition of “Priority Noteholders”
Bankruptcy Cases	Recitals
Carve-Out Modification Motion	9.10
Cash Portion	3.1(a)(ii)
Claims	9.7
Closing	4.1
Closing Date	4.1
Colorado Sale Transaction	9.5(a)
Credit Bid	Recitals
Direction Letter	9.9
EIC	Preamble
Encumbered Purchased Assets	Recitals
Indenture	Recitals
Outside Date	5.1(c)
Non-Party Person	12.12(a)
Noteholders’ Asset Sale Proceeds	9.5(b)
Petition Date	Recitals
Potential Purchaser	8.2(b)
Purchased Assets	2.1
Purchase Price	3.1(a)
Purchaser Assignment	12.11(b)
Purchaser Documents	7.2
Released Parties	9.7
Seller	Preamble
Seller Documents	6.2
Seller Representatives	8.2(a)
Settlement Agreement	Recitals
Subject Entities	9.7
Structured Dismissal Motion	9.8
Termination Date	5.1(b)
Transfer Taxes	11.2
U.S. Sale Transaction	9.5
Wind Down Account	9.5(b)

Wind Down Budget	9.6(a)
Wind Down Cap	9.6(b)
Wind Down Expenses	9.6(a)
Wind Down Payment Shortfall	9.6(b)

1.3 Other Definitional and Interpretive Matters. Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:

Calculation of Time Period. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day.

Dollars. Any reference in this Agreement to \$ or dollars shall mean U.S. dollars.

Exhibits/Schedules. The Exhibits and Schedules to this Agreement are hereby incorporated and made a part hereof and are an integral part of this Agreement. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein shall be defined as set forth in this Agreement.

Gender and Number. Any reference in this Agreement to gender shall include all genders, and words imparting the singular number only shall include the plural and vice versa.

Headings. The provision of a Table of Contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement. All references in this Agreement to any “Section” or “Article” are to the corresponding Section or Article, as applicable, of this Agreement unless otherwise specified.

Herein. The words such as “herein” “hereinafter” “hereof” and “hereunder” refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires.

Including. The word “including” or any variation thereof means “including, without limitation” and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

(b) The parties hereto have participated jointly in the negotiation and drafting of this Agreement and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

**ARTICLE II
PURCHASE AND SALE OF ASSETS; ASSUMPTION OF LIABILITIES**

2.1 Purchase and Sale of Assets. On the terms and subject to the conditions set forth in this Agreement, and to the extent permitted under section 363 of the Bankruptcy Code after giving effect to the Bid Procedures Order and the Sale Order, at the Closing, the Agent, subject and pursuant to the

Direction Letter, shall cause Purchaser (or its designees) to purchase, acquire and accept from Seller, and Seller shall sell, transfer, assign, convey and deliver to Purchaser (or its designees), all of Seller's right, title and interest in, to and under the Purchased Assets, free and clear of all Liens pursuant to section 363 of the Bankruptcy Code. "Purchased Assets" shall mean the EIH Equity and the Intercompany Note Documents.

ARTICLE III CONSIDERATION

3.1 Consideration.

(a) The purchase price payable to Seller for the Purchased Assets (the "Purchase Price") shall be:

(i) with respect to the Encumbered Purchased Assets, the Credit Bid of \$1.00, representing a portion of the Noteholders' First Lien Indebtedness; *plus*

(ii) with respect to the 35% of the EIH Equity that does not constitute Encumbered Purchased Assets, an amount in cash equal to \$1.00 (the "Cash Portion").

(b) In accordance with Section 3.1(a)(i), the Agent, subject and pursuant to the Direction Letter, shall satisfy the Purchase Price at the Closing as to the amount of the Credit Bid by releasing, and causing the Noteholders to release, Seller from the First Lien Indebtedness under or with respect to the Indenture Documents and any other documents or agreements entered into in connection therewith in an aggregate amount up to the Credit Bid.

(c) On the Closing Date, the Agent, subject and pursuant to the Direction Letter, shall cause Purchaser to pay to Seller or Seller's designee cash, in immediately available funds to an account designated by Seller at least two (2) Business Days prior to the Closing Date, in an amount equal to the Cash Portion in accordance with Section 3.1(a)(ii).

ARTICLE IV CLOSING

4.1 Closing Date. Subject to the satisfaction of the conditions set forth in Article X (or the waiver thereof by each party required to waive such condition pursuant to Section 12.6), the closing of the purchase and sale of the Purchased Assets provided for in Article II (the "Closing") shall take place at the offices of Weil, Gotshal & Manges LLP located at 767 Fifth Avenue, New York, New York 10153 (or at such other place as the parties may designate in writing) at 10:00 a.m. (New York City time) on the second Business Day after satisfaction or waiver of the conditions set forth in Article X (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions at the Closing), unless another time or date, or both, are agreed to in writing by Seller and the Agent, subject and pursuant to the Direction Letter. The date on which the Closing shall be held is referred to in this Agreement as the "Closing Date." Unless otherwise agreed by the parties in writing, the Closing shall be deemed effective and all right, title and interest of Seller to be acquired by Purchaser hereunder shall be considered to have passed to Purchaser as of 12:01 a.m. (New York City time) on the Closing Date.

4.2 Deliveries by Seller. At the Closing, EIC and Seller shall deliver, or cause to be delivered, to the Agent and Purchaser:

(a) the Assignment and Assumption Agreement duly executed by Seller with respect to the EIH Equity substantially in the form of Exhibit A hereto;

(b) the Assignment and Assumption Agreement duly executed by Seller with respect to the Intercompany Note Documents substantially in the form of Exhibit B hereto;

(c) a Dutch Notarial Deed duly executed by Seller with respect to the transfer of the EIH Equity to Purchaser in form and substance reasonably acceptable to the Agent, subject and pursuant to the Direction Letter, and Seller;

(d) a release letter duly executed by Seller authorizing the release of the Agent's Lien on the EIH Equity and the Intercompany Note in form and substance reasonably acceptable to the Agent, subject and pursuant to the Direction Letter, and Seller;

(e) an amendment to the Seller-EEUK Services Agreement substantially in the form attached hereto as Exhibit C (provided that EIC and Seller shall in good faith consider any modifications to such form proposed by the Agent or Purchaser and shall not unreasonably withhold, condition or delay their consent to any such modifications to the extent such modifications constitute a reduction in services to be provided), duly executed by each of Seller and EEUK;

(f) an amendment to the EIC-EEUK Services Agreement substantially in the form attached hereto as Exhibit D (provided that Seller shall in good faith consider any modifications to such form proposed by the Agent or Purchaser and shall not unreasonably withhold, condition or delay their consent to any such modifications to the extent such modifications constitute a reduction in services to be provided), duly executed by each of EIC and EEUK;

(g) a certified copy of the Sale Order as entered by the Bankruptcy Court on the docket of the Bankruptcy Cases;

(h) resignation letters, effective as of the Closing Date, in form and substance reasonably satisfactory to the Agent, subject and pursuant to the Direction Letter, of each director of EIH and each of its Subsidiaries;

(i) the officer's certificate required to be delivered pursuant to Section 10.1(a) and Section 10.1(b);

(j) an affidavit of non-foreign status from Seller that complies with section 1445 of the Code;

(k) a cash payment of the Agent's fees and expenses in its capacity as indenture trustee and collateral agent under the Indenture *plus* an additional \$20,000 to be held as security against future fees and expenses incurred by the Agent; and

(l) such other instruments, discharges, pay-off letters, closing certificates, and other documents as Agent or Purchaser may reasonably request in order to effectuate the Credit Bid and the consummation of the transactions contemplated hereby.

4.3 Deliveries by the Agent and Purchaser. At the Closing, the Agent, subject and pursuant to the Direction Letter, shall cause Purchaser to deliver to Seller:

- (a) the Assignment and Assumption Agreement duly executed by Purchaser with respect to the EIH Equity substantially in the form of Exhibit A hereto;
- (b) the Assignment and Assumption Agreement duly executed by Purchaser with respect to the Intercompany Note Documents substantially in the form of Exhibit B hereto;
- (c) a Dutch Notarial Deed duly executed by Purchaser with respect to the transfer of the EIH Equity to Purchaser in form and substance reasonably acceptable to the Agent, subject and pursuant to the Direction Letter, and Seller;
- (d) a release letter duly executed by the Agent authorizing the release of the Agent's Lien on the EIH Equity and the Intercompany Note in form and substance reasonably acceptable to the Agent, subject and pursuant to the Direction Letter, and Seller;
- (e) the officer's certificate required to be delivered pursuant to Section 10.2(a) and Section 10.2(b);
- (f) the cash payment required by Section 3.1(c);
- (g) the Purchaser Assignment; and
- (h) such other instruments, discharges, pay-off letters, closing certificates, and other documents as Seller may reasonably request in order to effectuate the Credit Bid and the consummation of the transactions contemplated hereby.

ARTICLE V TERMINATION

5.1 Termination of Agreement. This Agreement may be terminated prior to the Closing as follows:

- (a) by mutual written consent of Seller and the Agent;
- (b) by the Agent, subject and pursuant to the Direction Letter, or Seller, if the Closing shall not have occurred by the close of business on the date that is eighteen (18) days following the entry of the Sale Order on a final basis by the Bankruptcy Court (the "Termination Date"); *provided, however*, that if the Closing shall not have occurred on or before the Termination Date due to a material breach of any representations, warranties, covenants or agreements contained in this Agreement by a party to this Agreement, then the breaching party may not terminate this Agreement pursuant to this Section 5.1(b);
- (c) by the Agent, subject and pursuant to the Direction Letter, or Seller, if the Sale Order has not been entered on a final basis by the Bankruptcy Court on the docket of the Bankruptcy Cases on or before October 16, 2015 (the "Outside Date");
- (d) by the Agent, subject and pursuant to the Direction Letter, if there shall be a breach by Seller of any representation or warranty, or any covenant or agreement contained in this Agreement which would result in a failure of a condition set forth in Sections 10.1(a) or (b)

and which breach cannot be cured or has not been cured by the earlier of (i) ten (10) Business Days after the receipt of written notice by Seller from the Agent of such breach and (ii) the Termination Date, so long as such action was taken at the express direction of the Agent Designees and is in form and substance satisfactory to the Agent, subject and pursuant to the Direction Letter;

(e) by Seller, if there shall be a breach by the Agent of any representation or warranty, or any covenant or agreement contained in this Agreement which would result in a failure of a condition set forth in Sections 10.2(a) or (b) and which breach cannot be cured or has not been cured by the earlier of (i) ten (10) Business Days after the giving of written notice by Seller to the Agent of such breach and (ii) the Termination Date;

(f) by the Agent, subject and pursuant to the Direction Letter, or Seller if there shall be in effect a final nonappealable Order of a Governmental Body of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby;

(g) by Seller, prior to the entry of the Sale Order by the Bankruptcy Court, if Seller enters into an agreement to consummate an Alternative Transaction with a Person (or group of Persons) other than the Agent, pursuant to the terms of the Bid Procedures Order and without having violated Section 8.2 hereof, so long as (1) the board of directors of Seller has determined, in consultation with outside counsel, that such action is required to comply with the fiduciary duties of Seller's directors under applicable Law and (2) Seller has notified the Agent in writing of its intent to terminate this Agreement pursuant to this Section 5.1(g) at least three (3) Business Days prior to such termination;

(h) by the Agent, subject and pursuant to the Direction Letter, if Seller consummates or enters into an agreement to consummate, or the Bankruptcy Court approves, any Alternative Transaction;

(i) by the Agent, subject and pursuant to the Direction Letter, if any action taken by (or inaction of) EIH, Seller or any of their Subsidiaries both (i) is the result of an action taken by the Lenders (as defined in the EEUK Credit Agreement) pursuant to the EEUK Credit Agreement and (ii) would result in a breach of Section 9.1 but for the operation of clause (iv) thereof; and

(j) automatically, upon termination of the Settlement Agreement.

5.2 Procedure Upon Termination. In the event of termination and abandonment by the Agent, Purchaser and/or Seller, pursuant to Section 5.1 hereof, written notice thereof shall forthwith be given to the other parties, and this Agreement shall terminate, subject to Section 5.3, and the purchase of the Purchased Assets hereunder shall be abandoned, without further action by the Agent or Seller.

5.3 Effect of Termination. In the event that this Agreement is validly terminated pursuant to Section 5.1, then each of the parties shall be relieved of its duties and obligations arising under this Agreement after the date of such termination and such termination shall be without liability to the Agent, Purchaser or Seller; *provided, however*, that, (i) the obligations of the parties set forth in Section 9.7 and Article XII (other than Section 12.3) shall survive any such termination and shall be enforceable hereunder, (ii) subject to Section 12.11(b) and Section 12.12, nothing in this Section 5.3 shall relieve the Agent or Seller of any liability for a breach of this Agreement prior to the effective date of such termination and (iii) the obligations of the Priority Noteholders and Seller pursuant to Section 9.6, Section 9.8 and Section 9.10 shall survive any termination pursuant to Section 5.1, other than a termination

pursuant to (A) Section 5.1(d), (B) Section 5.1(g), (C) Section 5.1(h) or (D) Section 5.1(b) or Section 5.1(c) where the failure of Seller to perform any of its obligations under this Agreement shall have substantially contributed to the failure of the Closing to occur by the Termination Date or the Sale Order to be entered by the Outside Date, respectively, and be enforceable hereunder.

ARTICLE VI REPRESENTATIONS AND WARRANTIES OF SELLER

EIC and Seller hereby, jointly and severally, represent and warrant to the Agent and Purchaser that:

6.1 Organization and Good Standing of Seller. EIC is a corporation formed under the Laws of the State of Nevada and Seller is a corporation formed under the Laws of the State of Delaware. Except as a result of the Bankruptcy Cases, each of EIC and Seller is duly organized, validly existing and in good standing under the Laws of its jurisdiction of formation and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now conducted.

6.2 Authorization of Agreement. Subject to obtaining Bankruptcy Court approval pursuant to the Sale Order, EIC and Seller have all requisite power, authority and legal capacity to execute and deliver this Agreement and each of EIC and Seller has all requisite power, authority and legal capacity to execute and deliver each other agreement, document, or instrument or certificate contemplated by this Agreement to be executed by EIC or Seller, as applicable, in connection with the consummation of the transactions contemplated by this Agreement (the "Seller Documents"), to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Seller Documents and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of EIC and Seller, as applicable, in each case, subject to the entry of the Sale Order. This Agreement has been, and each of the Seller Documents will be at or prior to the Closing, duly and validly executed and delivered by EIC and Seller, as applicable, and (assuming the due authorization, execution and delivery by the other parties hereto and thereto) following the approval of this Agreement and the transactions contemplated hereby by the Bankruptcy Court pursuant to the Sale Order, this Agreement, constitutes, and each of the Seller Documents when so executed and delivered will constitute, legal, valid and binding obligations of EIC and Seller (to the extent party thereto) in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at Law or in equity).

6.3 Organization and Good Standing of EIH; Capitalization of EIH.

(a) EIH is a limited company formed under the Laws of the Netherlands, and is duly organized, validly existing and in good standing under the Laws of its jurisdiction of formation and has all requisite power and authority to own, lease and operate its properties and to carry on the Business. EIH is duly qualified or authorized to do business, and is in good standing, under the Laws of each jurisdiction in which such qualification or authorization is required of EIH, except where the failure to be so qualified, authorized or in good standing would not, and would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

(b) The EIH Equity owned of record by Seller constitutes all of the outstanding Equity Securities of EIH, and upon the Closing, subject to entry of the Sale Order, Purchaser will acquire good, valid and marketable title to all of the EIH Equity, free and clear of any Liens,

other than Liens (i) in favor of the Agent in its capacity as trustee and collateral agent under the Indenture Documents and (ii) created pursuant to applicable securities Laws. All the EIH Equity has been duly authorized and validly issued and was not issued in violation of any preemptive rights, preferential rights of subscription or purchase or similar rights of any Person.

(c) Each Subsidiary of EIH is a corporation, partnership, limited liability company or other entity duly organized, validly existing and in good standing (in jurisdictions where such concept is recognized) under the Laws of the jurisdiction of its organization and has the requisite corporate, partnership, limited liability company or other similarly applicable power and authority to carry on its business as it is now being conducted. Subject only to the Liens under the EEUK Credit Agreement in favor the lenders thereunder, EIH owns, either directly or indirectly through one or more Subsidiaries, all of the share capital or other equity interests of each of its Subsidiaries free and clear of any and all Liens.

(d) (i) There are no outstanding subscription rights, options, warrants, convertible or exchangeable securities or other rights of any character whatsoever relating to issued or unissued share capital or other equity interests of EIH or any of its Subsidiaries, or any Commitments relating to issued or unissued share capital or other equity interests of EIH or any of its Subsidiaries or pursuant to which EIH or any of its Subsidiaries is or may become bound to issue or grant additional shares of its share capital or other equity interests or related subscription rights, options, warrants, convertible or exchangeable securities or other rights, or to grant preemptive rights; (ii) there are no outstanding contractual obligations of EIH or any of its Subsidiaries that now obligate or in the future could obligate any of them to issue, repurchase, redeem or otherwise acquire any shares of capital stock of EIH or any of its Subsidiaries or that constitute “phantom stock,” “stock appreciation rights” or similar arrangements or commitments with respect to EIH or any of its Subsidiaries; (iii) none of EIH or any of its Subsidiaries has agreed to register any such securities under the Securities Act or under any state securities Law or granted registration rights to any Person or entity; and (iv) other than in the case of the Subsidiaries of EIH, as provided by the Security Documents (as defined in the EEUK Credit Agreement), there are no voting trusts, shareholders agreements, proxies or other Commitments in effect to which EIH or any of its Subsidiaries is a party or of which it has knowledge with respect to the voting or transfer of any of the outstanding shares of capital stock of EIH or any of its Subsidiaries.

(e) Except for any Subsidiaries of EIH, all of which are set forth on Schedule 6.3(e), EIH does not own, directly or indirectly, any equity securities, ownership interests or voting securities interest in any corporation, limited liability company or partnership which is material to EIH and its Subsidiaries taken as a whole.

6.4 Title to Intercompany Note Documents. Seller is the sole Lender (as defined in the Intercompany Note Agreement) and has not assigned, conveyed or otherwise transferred the Intercompany Note Documents to any Person and, subject to the entry of the Sale Order, has full power and authority to deliver the Intercompany Note Documents to Purchaser at the Closing, free and clear of any Liens, other than Liens in favor of the Agent in its capacity as trustee and collateral agent under the Indenture Documents, and the obligations under the Intercompany Note Documents are not subordinated to any Indebtedness other than the obligations under the EEUK Credit Agreement pursuant to the Subordination Agreement.

6.5 Conflicts; Consents of Third Parties.

(a) Except as a result of the Bankruptcy Cases and except that no representation is given in this Section 6.5 with respect to the EEUK Credit Agreement, none of the execution and delivery by EIC or Seller of this Agreement or any Seller Document, the consummation of the transactions contemplated hereby or thereby, or compliance by EIC or Seller with any of the provisions hereof or thereof will conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation, or give rise to any obligation of EIC, Seller, EIH or any of their Subsidiaries to make any payment under, or to the increased, additional, accelerated or guaranteed rights or entitlements of or loss of any rights or entitlements of any Person under, or result in the creation of any Liens upon any of the properties or assets of EIC, Seller, EIH or any of their Subsidiaries under any provision of (i) the organizational documents of EIC, Seller, EIH or any of their Subsidiaries; (ii) subject to entry of the Sale Order, any Commitment or Permit to which EIC, Seller, EIH or any of their Subsidiaries is a party or by which any of the properties or assets of EIC, Seller, EIH or any of their Subsidiaries are bound; (iii) subject to entry of the Sale Order, any Order of any court, Governmental Body or arbitrator applicable to EIC, Seller, EIH or any of their Subsidiaries or any of the properties or assets of EIC, Seller, EIH or any of their Subsidiaries as of the date hereof; or (iv) subject to entry of the Sale Order, any applicable Law, in respect of clauses (i) through (iv), in the case of EIC and Seller, except as would not reasonably be expected to have a material adverse effect on the ability of EIC and Seller to consummate the transactions contemplated by this Agreement, and in the case of EIH except as would not, and would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

(b) Other than in connection with entry of the Sale Order, except that no representation is given in this Section 6.5 with respect to the EEUK Credit Agreement, no consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of EIC, Seller, EIH or any of their Subsidiaries in connection with the execution and delivery of this Agreement or the Seller Documents, the compliance by EIC, Seller, EIH or any of their Subsidiaries with any of the provisions hereof or thereof, the consummation of the transactions contemplated hereby or the taking by EIC, Seller, EIH or any of their Subsidiaries of any other action contemplated hereby, except as would not reasonably be expected to have a material adverse effect on the ability of Seller to consummate the transactions contemplated by this Agreement, and would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

6.6 Affiliate Interests. There are no Commitments between EIC, Seller and any of their Subsidiaries or Affiliates (other than EIH and its wholly-owned Subsidiaries), on the one hand, and EIH and any of its wholly-owned Subsidiaries, on the other, other than (a) the EIC-EEUK Services Agreement, (b) the Seller-EEUK Services Agreement, (c) the Intercompany Note and (d) that certain open account indebtedness between EIC, Seller and EEUK that will be cancelled and released in full effective as of the Closing pursuant to Section 9.7.

6.7 Wind Down Budget. The Wind Down Budget sets forth a good-faith estimate of the projected Wind Down Expenses, which Wind Down Budget: (a) is limited to, and does not include any costs or expenses other than, administrative costs and expenses of the Bankruptcy Cases and any subsequent dissolution of the debtor companies subject to the Bankruptcy Cases and matters related thereto, and (b) sets forth the total estimate of the projected amount of such costs and expenses, together with a projected timeline for the incurrence and required payment of such costs and expenses.

6.8 Taxes. EIC and Seller have not been required to include any amounts in gross income with respect to EIH pursuant to Section 951 of the Code for taxable years ending in 2012, 2013 and 2014. To the Seller's knowledge, EIC or Seller would not be required to include any amounts in gross income for the current taxable year with respect to EIH pursuant to Section 951 of the Code if the taxable year of EIH were deemed to end on the Closing Date, but not taking into account any activities or income of EIH on such date but after the Closing.

6.9 No Other Representations or Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE VI, SELLER EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, AT COMMON LAW, BY STATUTE, OR OTHERWISE, RELATING TO THE CONDITION OF THE PURCHASED ASSETS, EIH, ITS SUBSIDIARIES, THE BUSINESS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR BY THE SELLER DOCUMENTS. IN FURTHERANCE OF THE FOREGOING, SELLER EXPRESSLY DISCLAIMS ANY, AND THE AGENT ACKNOWLEDGES THAT SELLER MAKES NO, REPRESENTATION OR WARRANTY REGARDING THE EEUK CREDIT AGREEMENT, INCLUDING WHETHER THERE EXIST ANY PENDING DEFAULTS UNDER THE EEUK CREDIT AGREEMENT, WHETHER THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT WILL CAUSE A DEFAULT UNDER THE EEUK CREDIT AGREEMENT, OR WHETHER THE DISMISSAL OF THE BANKRUPTCY CASES, AS CONTEMPLATED BY SECTION 9.8, WILL CAUSE A DEFAULT UNDER THE EEUK CREDIT AGREEMENT.

ARTICLE VII REPRESENTATIONS AND WARRANTIES OF THE AGENT

The Agent hereby represents and warrants to Seller that:

7.1 Organization and Good Standing. The Agent is a National Association, and is duly organized, validly existing and in good standing under the Laws of its jurisdiction of formation and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now conducted.

7.2 Authorization of Agreement. The Agent has full power and authority to execute and deliver this Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement to be executed by the Agent in connection with the consummation of the transactions contemplated hereby and thereby (the "Purchaser Documents"), and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by the Agent of this Agreement and each Purchaser Document to which it is a party has been, or as of the Closing will be, duly authorized by all necessary action on behalf of the Agent. This Agreement has been, and each Purchaser Document will be at or prior to the Closing, duly executed and delivered by the Agent and (assuming the due authorization, execution and delivery by the other parties hereto and thereto) this Agreement constitutes, and each Purchaser Document when so executed and delivered by the Agent will constitute, legal, valid and binding obligations of the Agent, enforceable against the Agent in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at Law or in equity). The Agent is authorized to act in reliance on the Direction Letter and on behalf of the Noteholders as trustee and collateral agent under the Indenture Documents as contemplated by this Agreement.

7.3 Conflicts; Consents of Third Parties.

(a) Neither the execution and delivery by the Agent of this Agreement or of any Purchaser Documents, nor the compliance by the Agent with any of the provisions hereof or thereof will (i) conflict with, or result in the breach of, any provision of the certificate of incorporation (or similar formation document) or by-laws (or similar governance document) of the Agent, (ii) conflict with, violate, result in the breach of, or constitute a default under any note, bond, mortgage, indenture, license, agreement or other obligation to which the Agent is a party or by which the Agent, or its respective properties or assets are bound or (iii) violate any statute, rule, regulation or Order by which the Agent, is bound, except for such violations, breaches or defaults as would not, individually or in the aggregate, have a material adverse effect on the ability of the Agent to consummate the transactions contemplated by this Agreement.

(b) No consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of the Agent in connection with the execution and delivery of this Agreement or the Purchaser Documents or the compliance by the Agent with any of the provisions hereof or thereof.

7.4 No Other Representations or Warranties; Purchaser Documents. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE VII, THE AGENT EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, AT COMMON LAW, BY STATUTE, OR OTHERWISE, WITH RESPECT TO ANY OTHER INFORMATION PROVIDED TO SELLER BY OR ON BEHALF OF THE AGENT IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY.

**ARTICLE VIII
BANKRUPTCY COURT MATTERS**

8.1 Bankruptcy Court Approval. Seller shall use its commercially reasonable efforts to obtain entry by the Bankruptcy Court of the Sale Order on the docket of the Bankruptcy Cases no later than the Outside Date.

8.2 No Solicitation.

(a) Seller shall not, and shall cause its Affiliates not to, and shall use its reasonable efforts to cause its and their officers, directors, managers, employees, investment bankers, attorneys and other advisors, agents and representatives (collectively, "Seller Representatives") not to, solicit or otherwise proactively encourage any Person with respect to the submission of an Alternative Transaction. Seller shall immediately cease any discussions or negotiations with any Person with respect to an Alternative Transaction or potential Alternative Transaction. In the event that Seller receives a proposal for an Alternative Transaction, Seller shall as promptly as practicable (and in any event within one (1) Business Day after receipt) advise the Agent in writing of the details of such Alternative Transaction and the identity of the entity submitting the Alternative Transaction and, to the extent known by Seller, the principals who are backing such entity. In the event that Seller receives a proposal for an Alternative Transaction without violation of this Section 8.2(a), Seller may act in accordance with Section 8.2(b).

(b) Until the entry of the Sale Order by the Bankruptcy Court, Seller may, directly or indirectly through the Seller Representatives, (i) engage in discussions and negotiations regarding any proposal for Alternative Transaction received by Seller without violation of Section 8.2(a) with any third party (a "Potential Purchaser") and any Potential Purchaser's Representatives in

accordance with or as otherwise permitted under the Bid Procedures Order in connection with such Alternative Transaction; *provided* that Seller shall promptly (within one (1) Business Day) keep the Agent reasonably informed on a current basis of any material change to the terms of such proposal, and (ii) furnish to any Potential Purchaser who has signed a confidentiality agreement and its Representatives that has made a request therefor, public or non-public information relating to the Purchased Assets and afford to any such Potential Purchaser access to any properties, assets, books, records or business of Seller, EIH or any of their respective Subsidiaries; *provided* that Potential Purchasers who have signed a confidentiality agreement prior to the date of this Agreement shall not be required to sign another confidentiality agreement after the date hereof as a condition to receiving any such non-public information.

ARTICLE IX COVENANTS

9.1 Conduct of the Business Pending the Closing. Except as (i) otherwise expressly contemplated by this Agreement, (ii) in connection with the prosecution of the Bankruptcy Cases, (iii) with the prior written consent of the Agent, (iv) resulting from any action taken by the Lenders (as defined in the EEUK Credit Agreement) pursuant to the EEUK Credit Agreement or (v) as required by Law; *provided, however*, that, with respect to any Order of the Bankruptcy Court as to which any of these exceptions apply, Seller did not petition, seek, request or move for such Order or authorize, support, encourage or direct any other Person to petition, seek, request or move for such Order), EIC and Seller shall, and shall cause each of their Subsidiaries, including EIH and its Subsidiaries, to, (a) conduct the Business only in the Ordinary Course of Business and (b) not, directly or indirectly, take any action, omit to take any action, or commit to take any action that would constitute, result in or give rise to a breach of or violation of the EEUK Credit Agreement (with or without notice or lapse of time, or both). Seller shall give written notice to the Agent and Purchaser after becoming aware of (i) the occurrence of any event, which would be reasonably likely to cause any condition set forth in Article X to be unsatisfied at any time from the date hereof to the Closing Date or (ii) any notice or other communication from (x) any Person alleging that the consent of such Person is or may be required in connection with any of the transactions contemplated by this Agreement or (y) any Governmental Body in connection with any of the transactions contemplated by this Agreement; *provided, however*, that the delivery of any notice pursuant to this Section 9.1 shall not be deemed an amendment or modification of the Schedules and shall not limit or otherwise affect the rights or remedies available hereunder to the Agent or Purchaser.

9.2 Further Assurances.

(a) Subject to Section 9.1, each of EIC and Seller and the Agent, subject to and pursuant to the Direction Letter, shall use their commercially reasonable efforts to (i) take all actions necessary or appropriate to consummate the transactions contemplated by this Agreement and (ii) cause the fulfillment at the earliest practicable date of all of the conditions to their respective obligations to consummate the transactions contemplated by this Agreement.

(b) Notwithstanding anything herein to the contrary, EIC and Seller shall cause their Affiliates, including EIH and its Subsidiaries, to take all actions necessary or appropriate to (i) ensure performance of any obligations of Seller (including, prior to the Closing, with respect to EIH and its Subsidiaries) under or related to this Agreement, and (ii) consummate the transactions contemplated by this Agreement.

9.3 Preservation of Records. Purchaser agrees to preserve and keep the records held by it or its Affiliates relating to the Business for a period of seven (7) years from the Closing Date and shall make, or cause its Affiliates to make, such records and personnel available to Seller as may be reasonably

requested by Seller, including in connection with, among other things, any insurance claims by, Tax Returns of, Legal Proceedings against or governmental investigations of Seller, its Affiliates or representatives or in order to enable Seller to comply with its obligations under this Agreement and each other agreement, document or instrument contemplated hereby or thereby. In the event Purchaser wishes to destroy such records before or after that time, Purchaser shall first give thirty (30) days prior written notice to Seller and Seller shall have the right at its option and sole expense, upon prior written notice given to Purchaser within such thirty (30) day period, to take possession of the records within thirty (30) days after the date of such notice.

9.4 Publicity. Except for any filing with the Bankruptcy Court, none of Seller, the Agent, Purchaser or any Priority Noteholder shall issue any press release or public announcement concerning this Agreement or the transactions contemplated hereby without obtaining the prior written approval of the other parties hereto, which approval will not be unreasonably withheld, conditioned or delayed, unless, in the sole judgment of the Agent or Seller, disclosure is otherwise required by applicable Law or by the Bankruptcy Court with respect to filings to be made with the Bankruptcy Court in connection with this Agreement, or disclosure to the Office of the United States Trustee, or by the applicable rules of any stock exchange on which the Agent or Seller or any of its Affiliates lists securities, *provided* that the party intending to make such release shall use its commercially reasonable efforts consistent with such applicable Law or Bankruptcy Court requirement to consult with the other party with respect to the text thereof.

9.5 U.S. Sale Transactions; Treatment of Proceeds. Any and all proceeds and other consideration received from or with respect to the sale of the United States oil and gas assets, owned by EIC, Seller and/or any of their Subsidiaries (in each case, whether in one or a series of related or unrelated transactions and whether such sales are structured as a sale of equity or stock (including by way of merger) or a sale of assets, and whether directly or indirectly) (the "U.S. Sale Transaction") shall be distributed and used solely as follows (in each case, unless otherwise agreed or directed by written instruction signed by the Agent or following the Closing the Purchaser):

(a) With respect to any and all proceeds and consideration received from a U.S. Sale Transaction involving the assets of Endeavour Colorado (such transaction, the "Colorado Sale Transaction"), (A) such proceeds and consideration shall be used to pay the reasonable out-of-pocket expenses of EIC, Seller and their Subsidiaries to the extent, and solely to the extent, incurred as a direct result of the Colorado Sale Transaction and to the extent any assets of Endeavour Colorado are sold as part of a U.S. Sale Transaction with other assets which are not assets of Endeavour Colorado, such expenses shall be allocated between the Colorado Sale Transaction and such other transactions based on the proportion that the proceeds generated by the sale of the assets of Endeavour Colorado bears to the total proceeds received in such U.S. Sale Transaction and (B) any remaining proceeds and consideration after reduction for such expenses described in clause (A) shall be distributed to the lenders under the EEUK Credit Agreement (as directed by the EEUK Agent and pro rata in accordance with each such lenders' pro rata share of the total Indebtedness outstanding pursuant to such EEUK Credit Agreement); *provided, however*, that any such proceeds and consideration paid to such lenders shall reduce such lender's respective outstanding Indebtedness under such EEUK Credit Agreement.

(b) With respect to any and all proceeds and consideration received from a U.S. Sale Transaction (excluding any proceeds and consideration to be paid or allocated pursuant to Section 9.5(a) above, including any expenses of the type to be paid pursuant to Section 9.5(a) above), (A) 47.0% of such proceeds and consideration shall be distributed to the lenders under the EEUK Credit Agreement (as directed by the EEUK Agent and pro rata in accordance with each such lenders' pro rata share of the total Indebtedness outstanding pursuant to such EEUK Credit

Agreement); *provided, however*, that any such proceeds and consideration paid to such lenders shall reduce such lender's respective outstanding Indebtedness under such EEUK Credit Agreement and (B) 53.0% of such proceeds and consideration shall be deposited into a segregated Seller bank account (the "Wind Down Account") as to which the Noteholders and the members of the Ad Hoc Group shall be granted a first priority security interest pursuant to the Sale Order (such deposited amounts, the "Noteholders' Asset Sale Proceeds") for distribution therefrom solely in accordance with Section 9.6.

9.6 Wind Down Payment.

(a) Upon deposit of the Noteholders' Asset Sale Proceeds into the Wind Down Account, such Noteholders' Asset Sale Proceeds shall be used solely to fund (i) the administrative costs and expenses of the Bankruptcy Cases, (ii) any expenses incurred in connection with the subsequent dissolution of the debtor companies subject to the Bankruptcy Cases and matters related thereto, and (iii) solely in the event that the Closing has occurred, the fees and expenses, which shall not exceed \$5,500,000 in the aggregate, of Houlihan Lokey Capital, Inc., Milbank, Tweed, Hadley & McCloy LLP and Morris, Nichols, Arsht & Tunnell LLP in their capacity as the Priority Noteholders' advisors or in their capacity as special counsel to the Agent, in each case, solely with respect to those matters relating to this Agreement and the Bankruptcy Cases (collectively such costs and expenses described in clauses (i), (ii) and (iii) the "Wind Down Expenses"), in each case to be applied in accordance with the budget agreed to by Seller and the Priority Noteholders attached hereto as Exhibit F (as amended from time to time with the reasonable agreement of Seller and the Priority Noteholders, the "Wind Down Budget"). Seller shall only spend the Noteholders' Asset Sale Proceeds in accordance with the Wind Down Budget; *provided*, that it is understood that the amounts set forth in the Wind Down Budget are estimates only and shall not limit the amount of Wind Down Expenses subject to this Section 9.6 in the event the actual Wind Down Expenses exceed the amounts reflected in the Wind Down Budget.

(b) At any time, and from time to time, prior to the date that is nine (9) months following the entry of the Sale Order by the Bankruptcy Court, if, pursuant to Section 9.6(a), the Noteholders' Asset Sale Proceeds in the Wind Down Account are insufficient to satisfy the Wind Down Expenses in accordance with the Wind Down Budget (the "Wind Down Payment Shortfall"), following the Closing the Priority Noteholders shall cause EEUK to pay, in immediately available funds, to the Wind Down Account, the amount of such Wind Down Payment Shortfall (each an "Additional Wind Down Payment"); *provided, however*, that in no event shall the total Additional Wind Down Payments exceed, in the aggregate, \$4,000,000 plus all amounts included in the Wind Down Expenses pursuant to Section 9.6(a)(iii) and Section 11.5 (the "Wind-Down Cap"). Such Additional Wind Down Payments shall only be released in accordance with the Wind Down Budget and shall be used by EIC, Seller and their Subsidiaries solely to pay the Wind Down Expenses in accordance with the Wind Down Budget.

(c) The Priority Noteholders shall cause EEUK to pay any amounts due under those certain Key Employee Retention Plan Agreements, dated on or around September 19, 2014, between EEUK and certain employees of EIC and its Subsidiaries arising on or after the Closing Date.

(d) The obligations of the Priority Noteholders under this Section 9.6 shall be several but not joint. For the avoidance of doubt, no Noteholder shall be obligated to make any payments or contributions to any Persons with respect to the Wind Down Expenses, directly or indirectly, except as expressly set forth in Sections 9.5 and 9.6.

(e) On the date that is nine (9) months following the entry of the Sale Order by the Bankruptcy Court (or at an earlier date at Seller's election), any funds then remaining in the Wind Down Account shall be paid as follows (i) first, such funds shall be used to repay any Additional Wind Down Payments paid by EEUK and (ii) second, to the extent funds remain after such repayment of any Additional Wind Down Payments, shall be distributed to the lenders under the EEUK Credit Agreement (as directed by the EEUK Agent and pro rata in accordance with each such lenders' pro rata share of the total Indebtedness outstanding pursuant to such EEUK Credit Agreement); *provided, however*, that (A) any such proceeds and consideration paid to such lenders shall reduce such lender's respective outstanding Indebtedness under such EEUK Credit Agreement and (B) in the event that (x) the members of the Ad Hoc Group breach their obligations pursuant to the Settlement Agreement and such breach results in the termination of this Agreement and the Settlement Agreement, or (y) EIC or the Seller breaches their obligations pursuant to this Agreement or the Settlement Agreement and such breach results in the termination of this Agreement and the Settlement Agreement, then notwithstanding anything herein to the contrary (but without modifying or effecting the EEUK Credit Agreement) any funds remaining after such repayment of any Additional Wind Down Payments shall not be distributed to the lenders under the EEUK Credit Agreement pursuant to the foregoing clause (ii) but rather shall be distributed to the Noteholders as directed by the Agent pro rata in accordance with each such Noteholders' pro rata share of the total Indebtedness outstanding pursuant to the Indenture Documents.

(f) EIC and Seller will provide to the Agent and, following the Closing, Purchaser on a timely basis all information reasonably requested by the Agent or Purchaser with regard to the nature of any Wind Down Expenses, including any further support or detail requested by the Agent or Purchaser in connection with the Wind Down Expenses, the Wind Down Budget and the timing and requirements with respect to any Additional Wind Down Payments (including any deviation from the Wind Down Budget).

9.7 Release. Effective as of the Closing, each Priority Noteholder, the Agent, EIC, and Seller (each on behalf of itself and each of its Subsidiaries and Affiliates) does hereby conclusively, absolutely, unconditionally, irrevocably and forever, release and discharge each of (a) EIH, (b) each of EIH's Subsidiaries, and (c) each and every former and current director and officer (collectively, the "Released Parties") of each of EIC, Seller, EIH, each of EIH's Subsidiaries, Endeavour Colorado, END Management Company, a Delaware corporation, Endeavour Energy New Ventures, Inc., a Delaware corporation, Endeavour Energy Luxembourg S.a.r.l., an entity formed pursuant to the Laws of Luxemburg, each other Subsidiary of EIC (such aforementioned entities, collectively, the "Subject Entities") from any and all claims, obligations, rights, suits, damages, causes of action, remedies and liabilities whatsoever, including any derivative claims asserted on behalf of a Subject Entity, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in Law, equity or otherwise, that any such entity would have been legally entitled to assert (whether individually or collectively) ("Claims"), based on or relating to, or in any manner arising from, in whole or in part, the Subject Entities, the Subject Entities' restructuring, the Bankruptcy Cases, the purchase, sale or rescission of the purchase or sale of any security of the Subject Entities, the subject matter of, or the transactions or events giving rise to, any claim, the business or contractual arrangements or Commitments between any Subject Entity and any Released Party, the restructuring of claims and equity interests before or during the Bankruptcy Cases, the negotiation, formulation, preparation or withdrawal of the Plan, the Restructuring Support Agreement or the termination thereof, this Agreement or related agreements, instruments or other documents, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the date hereof, and, in the event of the Closing, as of the Closing Date; *provided, however* that nothing in this Section 9.7 shall release any Released Party or Subject Entity from any Claims under or pursuant to (a) this Agreement, the transactions contemplated hereby (including, without

limitation, the payment of Wind Down Expenses) or any instrument executed or delivered in connection herewith, (b) the Settlement Agreement, (c) the Seller-EEUK Services Agreement, (d) the EIC-EEUK Services Agreement, (e) reimbursement of insurance premium payments or (f) any Released Party's or any Subject Entity's gross negligence, willful misconduct or fraud as determined by a judgment of a court that is binding upon such Released Party or Subject Entity, as applicable, final, and not subject to review on appeal.

9.8 Agreement Regarding Bankruptcy Cases. The Agent, subject and pursuant to the Direction Letter, and Priority Noteholders shall support any motion that is consistent with the terms of this Agreement or is otherwise reasonably acceptable to the Priority Noteholders and filed by any of the Subject Entities that are debtors in the Bankruptcy Cases with the Bankruptcy Court seeking to dismiss the Bankruptcy Cases pursuant to section 305, 1112 or other applicable section of the Bankruptcy Code (the "Structured Dismissal Motion") and the applicable relief to be requested in such motion, including authority for EIC to dissolve under state law without shareholder approval. The Agent, subject and pursuant to the Direction Letter, and Priority Noteholders shall not oppose, object to, or otherwise cause or support any other party to oppose or object to, the Structured Dismissal Motion and the applicable relief to be requested therein. Seller shall not cause the dismissal of the Bankruptcy Cases to be authorized pursuant to the Structured Dismissal Motion to occur prior to the earlier to occur of (x) the termination of this Agreement and (y) the Closing Date.

9.9 Credit Bid Direction. The Priority Noteholders, as beneficial holders, or investment advisors or managers for the account of beneficial holders, of a majority in principal amount of the outstanding Indenture Notes delivered to the Agent a direction and indemnification letter, in form and substance satisfactory to the Agent, to, among other things, enter into this Agreement and consummate the transactions contemplated hereby, including the Credit Bid (the "Direction Letter"). The Priority Noteholders have provided a true and complete copy of the Direction Letter to Seller prior to the date hereof. The Priority Noteholders agree that the Direction Letter shall not be amended, modified, waived or terminated, in whole or in part, in any manner that is adverse to the Seller without the prior written consent of Seller, not to be unreasonably withheld or delayed.

9.10 Carve-Out Modification. The Agent, subject and pursuant to the Direction Letter, and Priority Noteholders hereby consent to the modification of, and shall support any motion that is consistent with the terms of this Agreement or is otherwise reasonably acceptable to the Priority Noteholders and filed by any of the Subject Entities that are debtors in the Bankruptcy Cases with the Bankruptcy Court seeking Bankruptcy Court authority to modify, section 8 of that certain stipulated adequate protection order entered by the Bankruptcy Court on November 10, 2014 at Docket Index No. 166 to include within the term "Carve-Out" (as defined in such stipulated order) any and all administrative expense claims incurred under section 503(b) of the Bankruptcy Code by any of such Subject Entities (the "Carve-Out Modification Motion"). The Agent, subject and pursuant to the Direction Letter, and Priority Noteholders shall not oppose, object to, or otherwise cause or support any other party to oppose or object to, the Carve-Out Modification Motion and relief to be requested therein.

9.11 Access to Information. Seller and the Agent, subject and pursuant to the Direction Letter, agree that prior to the Closing Date, the Agent shall be entitled, on behalf of the Noteholders and through its and their officers, employees and Representatives, to make such investigation of the Business and the Purchased Assets and such examination of the books and records related to the Business and the Purchased Assets as it reasonably requests and to make extracts and copies of such books and records. Seller shall each cause its Affiliates and its and their respective officers, employees, consultants, agents, accountants, attorneys and other Representatives to reasonably cooperate with the Agent and Noteholders and their Representatives in connection with such investigation and examination. Any information, documents, books, records, copies and extracts provided to the Agent and its Representatives pursuant to

this Section 9.11 shall be subject to, and treated in accordance with the terms of, that certain Confidentiality Agreement, dated October 29, 2014, between the Agent and EIC.

ARTICLE X CONDITIONS TO CLOSING

10.1 Conditions Precedent to Obligations of the Agent and Purchaser. The obligation of the Agent to cause Purchaser to consummate the transactions contemplated by this Agreement is subject to the Direction Letter and fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived in writing by the Agent, subject and pursuant to the Direction Letter, in whole or in part to the extent permitted by applicable Law and this Agreement):

(a) each of the representations and warranties of EIC and Seller set forth in this Agreement qualified by reference to materiality or Material Adverse Effect is and shall be true and correct, and those not so qualified shall be true and correct in all material respects, as of the date of this Agreement and as of the Closing as though made at and as of the Closing, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties qualified as to materiality or Material Adverse Effect shall be true and correct, and those not so qualified shall be true and correct in all material respects, on and as of such earlier date) and Purchaser shall have received a certificate signed by an authorized officer of Seller (in form and substance reasonably satisfactory to Purchaser), dated the Closing Date, to such effect;

(b) each of EIC and Seller shall have performed and complied in all material respects with all obligations, covenants and agreements required in this Agreement to be performed or complied with by it at or prior to the Closing, and Purchaser shall have received a certificate signed by an authorized officer of EIC and Seller in form and substance reasonably satisfactory to Purchaser), dated as of the Closing Date, to such effect;

(c) there shall not be in effect or exist any Order by a Governmental Body of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of or imposing material modifications on the transactions contemplated hereby;

(d) the Agent shall have received the Seller deliverables pursuant to Section 4.2;

(e) the Sale Order, together with any other order of the Bankruptcy Court required to consummate the transactions contemplated hereby, shall have been entered by the Bankruptcy Court on the docket of the Bankruptcy Cases and such order shall not be subject to a stay of execution nor shall it have been modified, amended, dissolved, revoked or rescinded without the Agent's consent; and

(f) each of the Settlement Agreement and, simultaneously with the Closing, the Amendment to the EEUK Credit Agreement shall be in full force and effect and no breach or default shall have occurred thereunder (whether with or without notice, lapse of time, or both).

10.2 Conditions Precedent to Obligation of Seller. The obligation of Seller to consummate the transactions contemplated by this Agreement is subject to the fulfillment, prior to or on the Closing Date, of each of the following conditions (any or all of which may be waived by Seller in whole or in part to the extent permitted by applicable Law and this Agreement):

(a) each of the representations and warranties of the Agent and Purchaser set forth in this Agreement qualified by reference to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, as of the date of this Agreement and as of the Closing as though made at and as of the Closing, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, on and as of such earlier date) and Seller shall have received a certificate signed by an authorized officer of the Agent and Purchaser, dated the Closing Date, to such effect;

(b) the Agent shall, and, subject and pursuant to the Direction Letter, shall cause Purchaser to, have performed and complied in all material respects with all obligations and agreements required by this Agreement to be performed or complied with by the Agent or Purchaser on or prior to the Closing Date and Seller shall have received a certificate signed by an authorized officer of Purchaser (in form and substance reasonably satisfactory to Seller), dated the Closing Date, to such effect and copies of such corporate resolutions and other documents evidencing the performance thereof as Seller may reasonably request;

(c) there shall not be in effect or exist any Order by a Governmental Body of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of or imposing material modifications on the transactions contemplated hereby;

(d) Seller shall have received the Agent and Purchaser deliverables pursuant to Section 4.3;

(e) the Sale Order, together with any other order of the Bankruptcy Court required to consummate the transactions contemplated hereby, shall have been entered by the Bankruptcy Court on the docket of the Bankruptcy Cases and such order shall not be subject to a stay of execution nor shall it have been modified, amended, dissolved, revoked or rescinded without Seller's consent; and

(f) effective as of the Closing Date, Purchaser shall have appointed new directors of EIH and each of its Subsidiaries.

10.3 Frustration of Closing Conditions. None of Seller, the Agent or Purchaser may rely on the failure of any condition set forth in Sections 10.1 or 10.2, as the case may be, if such failure was caused by such party's failure to comply with any provision of this Agreement.

ARTICLE XI TAXES

11.1 Tax Returns and Payments. Seller shall cause to be prepared and filed all Tax Returns for EIH and its Subsidiaries that are required to be filed on or prior to the Closing Date. Purchaser shall cause to be prepared and filed all Tax Returns for EIH and its Subsidiaries that are required to be filed after the Closing Date; *provided*, that any such Tax Return(s) that reflect any period (or portion thereof) ending on or before the Closing Date Purchaser, such Tax Return(s) shall be prepared in accordance with past custom and practice and Purchaser shall provide Seller with copies of drafts of such Tax Returns at least ten (10) days before the due date for such Tax Returns and shall incorporate all comments reasonably requested by Seller.

11.2 Transfer Taxes. Purchaser shall (a) be responsible for (and shall indemnify and hold Seller harmless against) any and all Liabilities for any sales, use, *ad valorem*, stamp, documentary, filing, recording, transfer, real estate transfer, gross receipts, registration, duty, securities transactions or similar fees or Taxes or governmental charges (together with any interest or penalty, addition to Tax or additional amount imposed) as levied by any Taxing Authority solely in connection with the transactions contemplated by this Agreement and related to the Purchased Assets and not exempted under the Sale Order (collectively, "Transfer Taxes"), regardless of the Person such Transfer Taxes under applicable Law and (b) timely file or caused to be filed all necessary documents (including all Tax Returns) with respect to Transfer Taxes. The parties will reasonably cooperate to minimize any Transfer Taxes, including with respect to delivery location.

11.3 Purchase Price Allocation. Seller, the Agent (subject and pursuant to the Direction Letter) and Purchaser agree that the Purchase Price (as adjusted pursuant to the terms of this Agreement) shall be allocated among the Purchased Assets as mutually agreed by the Seller and the Agent prior to the Closing (the "Asset Acquisition Statement") and all Tax Returns filed by Purchaser, EIC and Seller, or their Subsidiaries, shall be prepared consistently with such allocation; *provided*, that (a) Purchaser's reported cost for the Purchased Assets may be greater than the Purchase Price to reflect Purchaser's acquisition costs not included in the total amount so allocated, and (b) Seller's reported amount realized may be less than the Purchase Price to reflect Seller's costs that reduce the amount realized. For UK and US tax and accounting purposes, the parties agree to cooperate to determine the fair market value of the Purchased Assets, which the parties acknowledge may exceed the Purchase Price paid for the Purchased Assets.

11.4 Cooperation on Tax Matters. Purchaser and Seller shall furnish or cause to be furnished to each other, at the expense of the requesting party, as promptly as practicable, such information and assistance relating to the Business and the Purchased Assets as is reasonably necessary for the preparation and filing of any Tax Return, election, claim for refund or other required or optional filings relating to Tax matters (including the claim by Purchaser of any business tax credits or incentives for which Purchaser may qualify in any of the jurisdictions in which any of the Purchased Assets are located), for the preparation for any Tax audit by any Taxing Authority, for the preparation for any Tax protest, or for the prosecution or defense of any suit, claim or other proceeding relating to Tax matters.

11.5 Subpart F Adjustment. Any and all Liabilities for Taxes that Seller and EIC incur following Closing in respect of the taxable year that includes the Closing that Seller and EIC would not have incurred had EIH's taxable year ended on the Closing Date shall constitute Wind Down Expenses (the "Additional Taxes") and the Additional Taxes shall be deemed added to the Wind Down Budget, and the Wind Down Cap shall be increased by the amount of the Additional Taxes, provided that the foregoing shall not apply with respect to any Liabilities for Taxes resulting from actions taken by or on behalf of EIC or the Seller following the Closing.

ARTICLE XII MISCELLANEOUS

12.1 No Survival of Representations and Warranties. The parties hereto agree that the representations and warranties contained in this Agreement shall not survive the Closing hereunder and none of the parties shall have any Liability to each other after the Closing for any breach thereof. The parties hereto agree that the covenants contained in this Agreement to be performed at or after the Closing shall survive the Closing hereunder, and, subject to Section 12.12, each party hereto shall be liable to the other after the Closing for any breach thereof.

12.2 Expenses. Subject to Seller's and the Noteholders' obligations in the Indenture Documents and the Priority Noteholders' obligations in the Direction Letter, each of Seller, the Agent, Purchaser and the Priority Noteholders shall bear its own expenses incurred in connection with the negotiation and execution of this Agreement and each other agreement, document and instrument contemplated by this Agreement and the consummation of the transactions contemplated hereby and thereby.

12.3 Specific Performance. The parties acknowledge and agree that the breach of Article IX of this Agreement may cause irreparable damage to the other parties and that the non-breaching party may not have an adequate remedy at Law. Therefore, in a breach by a party of its obligations under Article IX of this Agreement, the non-breaching party may be entitled to seek specific performance or appropriate injunctive relief in any court of competent jurisdiction. Such remedies shall, however, be cumulative and not exclusive and shall be in addition to any other remedies which any party may have under this Agreement or otherwise. For the avoidance of doubt, no party shall be entitled to specific performance or injunctive relief for a breach of any provision of this Agreement other than a provision in Article IX.

12.4 Submission to Jurisdiction; Consent to Service of Process.

(a) The parties hereto hereby irrevocably submit to the exclusive jurisdiction of the Bankruptcy Court over any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby and each party hereby irrevocably agrees that all claims in respect of such dispute or any suit, action proceeding related thereto may be heard and determined in the Bankruptcy Court; *provided, however*, that in the event the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction with respect to any matter provided for in this sentence or is without jurisdiction, the parties hereto hereby irrevocably submit to the exclusive jurisdiction of the federal or state courts located in the Borough of Manhattan in the City of New York with respect to such matter. The parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

(b) Each of the parties hereto hereby consents to process being served by any party to this Agreement in any suit, action or proceeding by the mailing of a copy thereof in accordance with the provisions of Section 12.8.

12.5 Waiver of Right to Trial by Jury. EACH PARTY TO THIS AGREEMENT WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, MATTER OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

12.6 Entire Agreement; Amendments and Waivers. This Agreement, the Settlement Agreement (including the schedules and exhibits hereto and thereto), and the other agreements, documents, instruments and certificates contemplated hereby and thereby, represents the entire understanding and agreement among the parties hereto with respect to the subject matter hereof. This Agreement can be amended, supplemented or changed, and any provision hereof can be waived, only by written instrument making specific reference to this Agreement signed by the party against whom enforcement of any such amendment, supplement, modification or waiver is sought. No action taken pursuant to this Agreement, including any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty,

covenant or agreement contained herein. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by Law.

12.7 Governing Law. Except for matters as to which the Bankruptcy Code applies, this Agreement shall be governed by and construed in accordance with the Laws of the State of New York applicable to contracts made and performed in such State, without giving effect to any choice of Law or conflict of Law rules or provisions (whether of the State of New York or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of New York.

12.8 Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given (i) when delivered personally by hand (with written confirmation of receipt), (ii) when sent by electronic mail or (iii) one (1) Business Day following the day sent by overnight courier (with written confirmation of receipt), in each case at the following addresses (or to such other address as a party may have specified by notice given to the other party pursuant to this provision):

If to the Agent, then to:

Wells Fargo Bank, National Association
150 East 42nd Street
40th Floor
New York, New York 10017
Attention: James R. Lewis, Vice President
Email: James.R.Lewis@wellsfargo.com
Facsimile: 866-524-4681

and a copy to:

Reed Smith LLP
Reed Smith Centre
225 Fifth Avenue
Pittsburgh, Pennsylvania 15222
Attention: Eric A. Schaffer
Email: eschaffer@reedsmith.com
Facsimile: 412-288-3063

If to Seller, then to:

Endeavour Operating Corporation
811 Main Street, Suite 2100
Houston, Texas 77002
Attention: Cathy Stubbs
Email: Cathy.Stubbs@endeavour corp.com
Facsimile: 713-307-8794

and a copy to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
Attention: Ted S. Waksman
Email: ted.waksman@weil.com

If to the Priority Noteholders, then to:

Apollo Capital Management, L.P.
9 West 57th Street
New York, NY 10019
Attention: Joseph D. Glatt
Email: jglatt@apollolp.com

Aristeia Capital, LLC
136 Madison Avenue, 3rd Floor
New York, NY 10016
Attention: William R. Techar; Andrew B. David
Email: techar@aristeiacapital.com; andrew.david@aristeiacapital.com

Avenue Investments, L.P.
399 Park Avenue, 6th Floor
New York, NY 10022
Attention: Jason Hammerman
Email: jhammerman@avenuecapital.com

and a copy to:

Milbank, Tweed, Hadley & McCloy LLP
28 Liberty Street
New York, NY 10005
Attention: Dennis Dunne
Email: ddunne@milbank.com

12.9 Severability. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any Law or public policy, all other terms or provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

12.10 No Reliance. PURCHASER ACKNOWLEDGES AND AGREES THAT THE PURCHASED ASSETS ARE SOLD "AS IS, WHERE IS" WITH ALL FAULTS WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, IN FACT OR BY LAW WITH RESPECT TO THE PURCHASED ASSETS AND WITHOUT ANY RECOURSE TO SELLER, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN. PURCHASER AGREES TO

ACCEPT THE PURCHASED ASSETS IN THE CONDITION, STATE AND LOCATION THEY ARE IN ON THE CLOSING DATE BASED ON ITS OWN INSPECTION, EXAMINATION AND DETERMINATION WITH RESPECT TO ALL MATTERS AND WITHOUT RELIANCE UPON ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES OF ANY NATURE MADE BY OR ON BEHALF OF OR IMPUTED TO SELLER, EXCEPT AS SET FORTH IN THIS AGREEMENT.

12.11 Binding Effect; Assignment.

(a) This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third party beneficiary rights in any person or entity not a party to this Agreement except as provided below. No assignment of this Agreement or of any rights or obligations hereunder may be made by either Seller or the Agent (by operation of Law or otherwise) without the prior written consent of the other parties hereto and any attempted assignment without the required consents shall be void; *provided, however*, that the Agent agrees that it shall, on or prior to the Closing Date, assign its rights, interests, and obligations hereunder to Purchaser pursuant to the Purchaser Assignment (as defined below).

(b) The Priority Noteholders agree that, on or prior to the Closing Date, they shall cause Purchaser to be organized, and to execute an assignment in a form acceptable to the Agent, subject and pursuant to the Direction Letter, and Seller, which assignment shall designate the Purchaser entity and contain terms in accordance with the following sentence (the “Purchaser Assignment”). Upon the execution of the Purchaser Assignment, (a) the references in this Agreement to Agent shall apply solely to Purchaser unless the context otherwise requires and the Parties hereto agree that Agent shall have no liability or continuing obligations of any kind whatsoever hereunder, other than its obligations pursuant to the limited release provisions in Section 9.7 hereof, and (b) the Purchaser Assignment shall include representations and warranties similar to those in Article VII, which shall include an agreement by Purchaser to join and be bound by the terms of this Agreement applicable to Purchaser and to the Agent (to the extent provided in clause (a)).

12.12 Non-Recourse.

(a) No past, present or future director, officer, employee, incorporator, member, partner, equityholder, Affiliate, agent, attorney or representative of EIC, Seller, the Priority Noteholders, the Agent, Purchaser, the Priority Noteholders or the members of the Ad Hoc Group or any of their respective Affiliates who is not otherwise a party to this Agreement (each non-party, a “Non-Party Person”) shall have any liability for any obligations or liabilities of EIC, Seller, the Agent, Purchaser, or the Priority Noteholders under this Agreement, the Seller Documents or the Purchaser Documents of or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby or thereby. Without limiting the foregoing, (a) each party hereto hereby waives and releases any and all rights, claims, demands or causes of action that may otherwise be available at law or in equity to avoid or disregard the entity form of a party, whether based on theories of agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, unfairness, undercapitalization, or otherwise; and (b) each party hereto disclaims any reliance upon any Non-Party Affiliates with respect to any representation or warranty made in or in connection with this Agreement, the Seller Documents or Purchaser Documents.

(b) Notwithstanding anything herein to the contrary, nothing in this Agreement or related agreements, instruments or other documents, shall impose or expand any duty or Liability on the Agent beyond those specifically set forth in the Indenture and the Direction Letter.

(c) Nothing contained herein shall alter, impair, or otherwise deprive the Agent of any rights or privileges provided under the Indenture, the Direction Letter, or any related documents.

12.13 Counterparts. This Agreement may be executed in any number of counterparts (including by telecopier, facsimile or email attachment), each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first set forth above.

EIC:

**ENDEAVOUR INTERNATIONAL
CORPORATION**

By: 
Name: Catherine L. Stubbs
Title Senior Vice President, Chief Financial Officer

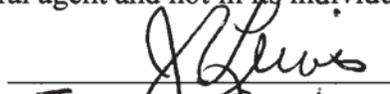
SELLER:

ENDEAVOUR OPERATING CORPORATION

By: 
Name: Catherine L. Stubbs
Title Senior Vice President, Chief Financial Officer

WELLS FARGO BANK, NATIONAL
ASSOCIATION, in its capacity as trustee and
collateral agent and not in its individual capacity,

By:



Name:

JAMES R. LEWIS

Title:

Vice President

[Signature Page to Asset Purchase Agreement]

PRIORITY NOTEHOLDERS,

solely for the purposes of Articles IX and XII:

AEC (Lux) S.a.r.l.

By: Apollo European Credit Management, L.P.,
its investment manager

By: Apollo European Credit Management GP, LLC,
its general partner

By: _____

Name: Joseph D. Glatt
Title: Vice President

AES (Lux) S.a.r.l.

By: Apollo European Strategic Management, L.P.,
its investment manager

By: Apollo European Strategic Management, LLC,
its general partner

By: _____

Name: Joseph D. Glatt
Title: Vice President

Apollo Centre Street Partnership, L.P.

By: Apollo Centre Street Advisors (APO DC), L.P., its general partner

BY: Apollo Centre Street Advisors (APO DC-GP), LLC, its general partner

By: _____

Name: Joseph D. Glatt
Title: Vice President

Apollo Credit Opportunity Trading Fund III

By: Apollo Credit Opportunity Advisors III LP,
its general partner

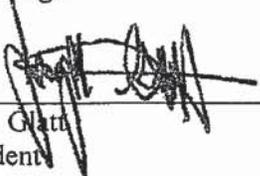
By: Apollo Credit Opportunity Advisors III GP LLC, its general partner

By: _____

Name: Joseph D. Glatt
Title: Vice President

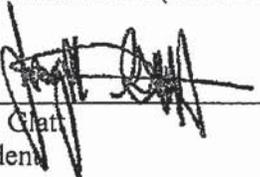
Apollo Credit Strategies Master Fund Ltd.

By: Apollo ST Fund Management LLC,
its Investment Manager

By: 
Name: Joseph D. Glati
Title: Vice President

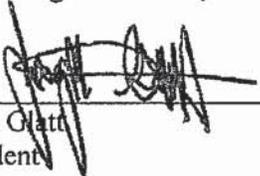
Apollo Franklin Partnership, L.P.

By: Apollo Franklin Advisors (APO DC), L.P., its General Partner
By: Apollo Franklin Advisors (APO DC-GP), LLC, its General Partner

By: 
Name: Joseph D. Glati
Title: Vice President

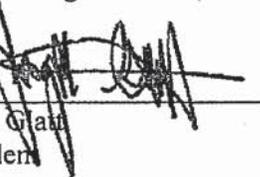
Apollo SK Strategic Investments, L.P.

By: Apollo SK Strategic Advisors, L.P, its general partner
By: Apollo SK Strategic Advisors, LLC, its general partner

By: 
Name: Joseph D. Glati
Title: Vice President

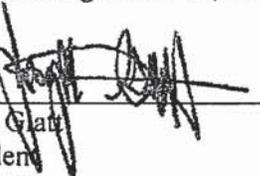
Apollo Special Opportunities Managed Account, L.P.

By: Apollo SVF Management, L.P., its investment manager
By: Apollo SVF Management GP, LLC, its general partner

By: 
Name: Joseph D. Glati
Title: Vice President

Apollo Value Investment Master Fund, L.P.

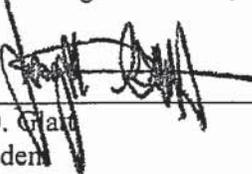
By: Apollo Value Management, L.P., its investment manager
By: Apollo Value Management GP, LLC, its general partner

By: 
Name: Joseph D. Glati
Title: Vice President

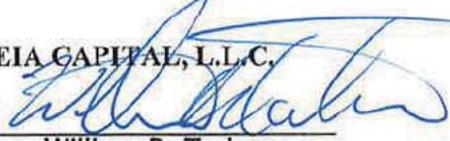
Apollo Zeus Strategic Investments, L.P.

By: Apollo Zeus Strategic Advisors, L.P., its general partner

By: Apollo Zeus Strategic Advisors, LLC, its general partner

By:  _____
Name: Joseph D. Glau
Title: Vice President

ARISTEIA CAPITAL, L.L.C.

By: 
Name: William R. Techar
Title: Manager
Aristeia Capital, L.L.C.



Andrew B. David
General Counsel
Aristeia Capital, L.L.C.

AVENUE MUTUAL FUNDS TRUST, on behalf of its series
AVENUE CREDIT STRATEGIES FUND

By: _____
Name: Sonia Gardner
Title: Authorized Signatory

AVENUE INVESTMENTS, L.P.

By: Avenue Partners, LLC
its General Partner

By: _____
Name: Sonia Gardner
Title: Member

AVENUE COPPERS OPPORTUNITIES FUND, L.P.

By: Avenue COPPERS Opportunities Fund GenPar,
LLC
its General Partner

By: _____
Name: Sonia Gardner
Title: Member

AVENUE ENERGY OPPORTUNITIES FUND, L.P.

By: Avenue Energy Opportunities Partners, LLC
its General Partner

By: ~~GL Energy Opportunities Partners, LLC~~
its Managing Member

By: _____
Name: Sonia Gardner
Title: Member

**AVENUE ENTRUST CUSTOMIZED
PORTFOLIO SPC ON BEHALF AND FOR
THE ACCOUNT OF AVENUE US/EUROPE
DISTRESSED SEGREGATED PORTFOLIO**

By: _____
Name: Sonia Gardner
Title: Director

AVENUE INTERNATIONAL MASTER, L.P.

By: Avenue International Master GenPar, Ltd.
its General Partner

By: _____
Name: Sonia Gardner
Title: Director

MANAGED ACCOUNTS MASTER FUND SERVICES - MAP10

a Sub Trust of Managed Accounts Master Fund Services

By: Avenue Capital Management II, L.P.,
its Investment Manager

By: Avenue Capital Management II GenPar, LLC,
its General Partner

By: _____
Name: Sonia Gardner
Title: Managing Member

AVENUE PPF OPPORTUNITIES FUND, L.P.

By: Avenue PPF Opportunities Fund GenPar, LLC
its General Partner

By: _____
Name: Sonia Gardner
Title: Member

AVENUE SPECIAL OPPORTUNITIES FUND I, L.P.

By: Avenue SO Capital Partners I, LLC
its General Partner

By: GL SO Partners I, LLC
its Managing Member

By: _____
Name: Sonia Gardner
Title: Member

**AVENUE SPECIAL OPPORTUNITIES CO-
INVESTMENT FUND I, L.P.**

By: Avenue SO Capital Partners I, LLC
its General Partner

By: GL SO Partners I, LLC
its Managing Member

By: _____
Name: Sonia Gardner
Title: Member

[Signature Page to Asset Purchase Agreement]

4

EXHIBIT A

Form of Assignment and Assumption Agreement – EIH Equity

**ASSIGNMENT OF ALL OF THE SHARES OF
OF
ENDEAVOUR INTERNATIONAL HOLDING B.V.**

THIS ASSIGNMENT OF EQUITY INTERESTS (this “Assignment”) is executed and made effective as of [____], 2015 (the “Effective Date”), by and between Endeavour Operating Corporation, a Delaware corporation (being a debtor-in-possession under sections 1107(a) and 1108 of the Bankruptcy Code) (“Transferor”), and [NEWCO], a [____] (“Transferee”), regarding the transfer of all of the outstanding shares of Endeavour International Holding B.V., an entity formed under the laws of the Netherlands (the “Company”).

RECITALS

WHEREAS, reference is made to that certain Asset Purchase Agreement (the “Asset Purchase Agreement”), dated as of [____], 2015, by and among Wells Fargo Bank, National Association, in its capacity as trustee and collateral agent under the Indenture Documents (as defined in the Asset Purchase Agreement) and not in its individual capacity, Transferor and, for the limited purposes specified therein, the Priority Noteholders (as defined in the Asset Purchase Agreement);

WHEREAS, reference is made to the Article of Incorporation of the Company, dated as of June 17, 2005 (the “Articles”);

WHEREAS, Transferor is the sole owner of 100% of the outstanding shares of the Company (the “Transferred Interests”);

WHEREAS, pursuant to the terms and conditions set forth in the Asset Purchase Agreement, Transferor has agreed to sell, transfer, convey, assign and deliver to Transferee, and Transferee has agreed to purchase and accept, all of the Transferred Interests; and

WHEREAS, Transferee desires to be admitted to the Company with respect to the Transferred Interests and to succeed to the rights and obligations of Transferor in respect of the Transferred Interests, and Transferor desires to resign as an owner of shares of the Company.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and understandings contained herein, and intending to be legally bound, the parties hereto hereby agree as follows:

1. Assignment. Subject to the terms and conditions set forth in the Asset Purchase Agreement, Transferor hereby irrevocably sells, transfers, conveys, assigns and delivers to Transferee the Transferred Interests, together with all of Transferor’s right, title, interest and benefit in and to the properties (real and personal), capital, cash flow, distributions, dividends, profits and losses, and all other economic benefits of the Transferred Interests accruing to or distributable with respect to the Transferred Interests and the interests in the Company represented thereby or associated therewith from and after the Effective Date.
2. Acceptance, Assumption and Acknowledgment. Subject to the terms and conditions set forth in the Asset Purchase Agreement, Transferee hereby purchases and accepts Transferor’s assignment of the Transferred Interests pursuant to Section 1, and acknowledges and agrees that it shall be bound by

all of the terms and conditions of the Articles as the sole owner of all of the outstanding shares of the Company, and assumes and agrees to perform all of duties and obligations of the sole owner of all of the shares of the Company under the Articles from and after the Effective Date.

3. Effect of Assignment. As of the Effective Date, (a) Transferee shall be the owner of the Transferred Interest in accordance with this Assignment, (b) Transferee shall succeed to the rights and obligations of Transferor in respect of the Transferred Interests and be admitted as the sole owner of all of the shares of the Company, such admission shall be deemed evidenced by this Assignment, and this Assignment shall be included in the books and records of the Company to reflect such admission, and (c) Transferor hereby resigns as an owner of shares of the Company and shall have no further rights, powers or obligations with respect to the Transferred Interest or otherwise under the Articles.

4. Consent. Transferor, as the sole shareholder of the Company, hereby consents to the transfer effected by this Assignment, as required by Section 9.1 of the Articles.

5. Asset Purchase Agreement. This Assignment is delivered pursuant to, and is hereby made subject to, the terms and conditions of the Asset Purchase Agreement.

6. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

7. Governing Law. Except for the matters as to which the Bankruptcy Code applies, this Assignment shall be governed by and construed in accordance with, and governed by, the Laws of the State of New York applicable to contracts made and performed in such State.

8. Counterparts. This Assignment may be executed in any number of counterparts (including by telecopier, facsimile or email attachment), each of which shall be deemed an original instrument, but all of which together shall constitute but one and the same agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed or caused to be executed on their behalf this Assignment to be effective as of the Effective Date.

ASSIGNOR

ENDEAVOUR OPERATING CORPORATION

By: _____

Name:

Title:

ASSIGNEE

[NEWCO]

By: _____

Name:

Title:

[NOTARY SIGNATURE]

EXHIBIT B

Assignment and Assumption Agreement – Intercompany Note Documents

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this “Agreement”) is made effective as of [____], 2015 (the “Effective Date”), by and between Endeavour Operating Corporation, a Delaware corporation (being a debtor-in-possession under sections 1107(a) and 1108 of the Bankruptcy Code) (the “Assignor”), and [NEWCO], a [____] (the “Assignee”).

WHEREAS, reference is made to that certain Asset Purchase Agreement (the “Asset Purchase Agreement”), dated as of [____], 2015, by and among Wells Fargo Bank, National Association, in its capacity as trustee and collateral agent under the Indenture Documents (as defined in the Asset Purchase Agreement) and not in its individual capacity, Assignor and, for the limited purposes specified therein, the Priority Noteholders (as defined in the Asset Purchase Agreement);

WHEREAS, reference is made to that certain intercompany note (the “Note”) issued pursuant to that certain Inter-Company Loan Agreement (the “Loan Agreement”), dated as of May 31, 2012, by and between Assignor, as “Lender” (as defined in the Loan Agreement), and EEUK, as “Borrower” (as defined in the Loan Agreement); and

WHEREAS, in accordance with the terms of the Asset Purchase Agreement, Assignor desires to assign, and Assignee desires to assume, all of Assignor’s rights, interests and obligations (i) as “Lender” under the Note and the Loan Agreement and (ii) as “Payee” under the Subordination Agreement (the “Assigned Interest”).

NOW, THEREFORE, in consideration of the mutual covenants, agreements and understandings contained herein, and intending to be legally bound, the parties hereto hereby agree as follows:

1. Assignment and Assumption. Effective as of the Effective Date, Assignor hereby assigns, transfers and conveys to the Assignee, and the Assignee hereby fully and completely accepts and assumes, all of Assignor’s rights, interests and obligations with respect to the Assigned Interest.
2. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
3. Asset Purchase Agreement. This Agreement is delivered pursuant to, and is hereby made subject to, the terms and conditions of the Asset Purchase Agreement.
4. Governing Law. Except for the matters as to which the Bankruptcy Code applies, this agreement shall be governed by and construed in accordance with, and governed by, the Laws of the State of New York applicable to contracts made and performed in such State.
5. Counterparts. This Agreement may be executed in any number of counterparts (including by telecopier, facsimile or email attachment), each of which shall be deemed an original instrument, but all of which together shall constitute but one and the same agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed or caused to be executed on their behalf this Agreement to be effective as of the Effective Date.

ASSIGNOR

ENDEAVOUR OPERATING CORPORATION

By: _____
Name:
Title:

ASSIGNEE

[NEWCO]

By: _____
Name:
Title:

EXHIBIT C

Form of Amendment - Seller-EEUK Services Agreement

**AMENDMENT NO. 1
TO
SERVICES AGREEMENT¹**

This Amendment No. 1 (this “Amendment”) to that certain Services Agreement (the “Services Agreement”), dated as of January 1, 2014, by and between Endeavour Operating Corporation, a Delaware corporation (“EOC”), and Endeavour Energy UK Limited, an England and Wales corporation (“EEUK”), is entered into on this [] day of [], 2015.

WHEREAS, pursuant to the Services Agreement, EOC provides certain services to EEUK (the “Services”);

WHEREAS, EEUK is an indirect, wholly-owned subsidiary of Endeavour International Holding B.V., an entity formed under the laws of the Netherlands (“EIH”), and EIH is a wholly-owned subsidiary of EOC;

WHEREAS, EOC is a party to that certain Asset Purchase Agreement (the “APA”), dated as of [], 2015, by and between EOC and Wells Fargo Bank, National Association (as trustee and collateral agent on behalf of the Noteholders (as defined in the APA)), pursuant to which, among other things, effective on the date hereof, EOC sold to Purchaser (as defined in the APA), and Purchaser acquired from EOC, all of the equity securities of EIH; and

WHEREAS, EOC agreed to, and agreed to cause EEUK to, concurrently with the closing of the transactions contemplated by the APA, enter into this Amendment to provide for the terms of the provision of the Services following the closing of the APA.

Now, therefore, effective as of the date hereof:

1. Amendment.
- a. *Article 2.* Article 2 of the Services Agreement is hereby amended by deleting such Article in its entirety and replacing it with the following:

“This Agreement shall remain in effect until terminated as provided herein. This Agreement may be terminated unilaterally by either EEUK or EOC following sixty (60)² days’ written notice from either such party to the other party of such first party’s intent to terminate and (b) as provided in Section 5.1. Notwithstanding anything herein to the contrary, this Agreement shall terminate automatically upon the filing by EOC of a Certificate of Dissolution of EOC with the Secretary of State of the State of Delaware.”

¹ NTD: The terms of the Amendments to the Services Agreements are subject to continuing review.

² NTD: Unless the parties agree to a different number of days.

2. Effect of Amendment. This Amendment shall modify and amend the Services Agreement to the extent, and only to the extent, expressly set forth herein; it being the intent of the parties that all of the terms and provisions of the Services Agreement that are not modified or replaced hereunder shall be unaltered and shall remain in full force and effect.

3. Governing Law. This Amendment and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this letter agreement shall be governed by and construed in accordance with the law of the State of Texas, without regard to the conflicts of law rules of such state.

4. Counterparts. This Amendment may be executed in counterparts (each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement) and shall become effective when signed by each of the parties and delivered to the other parties (including by facsimile or other electronic image scan transmission).

[Signature Page Follows]

IN WITNESS WHEREOF, each of the undersigned has executed this Amendment as of the date hereof.

ENDEAVOUR OPERATING CORPORATION

By: _____
Name:
Title:

ENDEAVOUR ENERGY U.K. LIMITED

By: _____
Name:
Title:

EXHIBIT D

Form of Amendment - EIC-EEUK Services Agreement

**AMENDMENT NO. 1
TO
SERVICES AGREEMENT³**

This Amendment No. 1 (this "Amendment") to that certain Services Agreement (the "Services Agreement"), dated as of January 1, 2014, by and between Endeavour International Corporation, a Nevada corporation ("EIC"), and Endeavour Energy UK Limited, an England and Wales corporation ("EEUK"), is entered into on this [] day of [], 2015.

WHEREAS, pursuant to the Services Agreement, EIC provides certain services to EEUK (the "Services");

WHEREAS, (i) EEUK is an indirect, wholly-owned subsidiary of Endeavour International Holding B.V., an entity formed under the laws of the Netherlands ("EIH"), (ii) EIH is a wholly-owned subsidiary of Endeavour Operating Corporation, a Delaware corporation ("EOC"), and (iii) EOC is a wholly-owned subsidiary of EIC;

WHEREAS, EOC is a party to that certain Asset Purchase Agreement (the "APA"), dated as of [], 2015, by and between EOC and Wells Fargo Bank, National Association (as trustee and collateral agent on behalf of the Noteholders (as defined in the APA)), pursuant to which, among other things, effective on the date hereof, EOC sold to Purchaser (as defined in the APA), and Purchaser acquired from EOC, all of the equity securities of EIH; and

WHEREAS, EOC agreed to cause EIC and EEUK to, concurrently with the closing of the transactions contemplated by the APA, enter into this Amendment to provide for the terms of the provision of the Services following the closing of the APA.

Now, therefore, effective as of the date hereof:

1. Amendment.

- a. *Article 2.* Article 2 of the Services Agreement is hereby amended by deleting such Article in its entirety and replacing it with the following:

"This Agreement shall remain in effect until terminated as provided herein. This Agreement may be terminated unilaterally by either EEUK or EIC following sixty (60)⁴ days' written notice from either such party to the other party of such first party's intent to terminate and (b) as provided in Section 5.1. Notwithstanding anything herein to the contrary, this Agreement shall terminate automatically upon the filing by EIC of a Certificate of Dissolution of EIC with the Secretary of State of the State of Nevada."

³ NTD: The terms of the Amendments to the Services Agreements are subject to continuing review.

⁴ NTD: Unless the parties agree to a different number of days.

2. Effect of Amendment. This Amendment shall modify and amend the Services Agreement to the extent, and only to the extent, expressly set forth herein; it being the intent of the parties that all of the terms and provisions of the Services Agreement that are not modified or replaced hereunder shall be unaltered and shall remain in full force and effect.

3. Governing Law. This Amendment and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this letter agreement shall be governed by and construed in accordance with the law of the State of Texas, without regard to the conflicts of law rules of such state.

4. Counterparts. This Amendment may be executed in counterparts (each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement) and shall become effective when signed by each of the parties and delivered to the other parties (including by facsimile or other electronic image scan transmission).

[Signature Page Follows]

IN WITNESS WHEREOF, each of the undersigned has executed this Amendment as of the date hereof.

**ENDEAVOUR INTERNATIONAL
CORPORATION**

By: _____
Name:
Title:

ENDEAVOUR ENERGY U.K. LIMITED

By: _____
Name:
Title:

EXHIBIT E

Sale Order

Please refer to the Sale Order attached as Exhibit A to the Motion.

EXHIBIT F
Wind Down Budget

Endeavour International Corporation
Cash Flow Summary
\$ in thousands

	7/31/2015	8/31/2015	9/30/2015	10/31/2015	11/30/2015	12/31/2015
US Cash Forecast						
Beginning Cash	\$ 17,986	\$ 13,858	\$ 11,666	\$ 10,464	\$ (1,500)	\$ (1,500)
Total Revenue	\$ 709	\$ 670	\$ 628	\$ -	\$ -	\$ -
Total Opex	300	300	300	-	-	-
US G&A	1,300	2,200	1,100	-	-	-
Board Cash Payments ⁽¹⁾	300	-	250	-	-	-
Dissolution/Wind Down Cost ⁽²⁾	-	-	-	3,000	-	-
Restructuring Costs ⁽³⁾	3,850	2,479	1,156	8,964	-	-
Reserves Capex	600	-	300	-	-	-
Decommissioning	-	-	-	-	-	-
Total Capex	600	-	300	-	-	-
Cash Transfers ⁽⁴⁾	1,512	2,118	1,276	-	-	-
Sale Proceeds ⁽⁵⁾	-	-	-	-	-	-
Total US Cash Flows	\$ (4,128)	\$ (2,192)	\$ (1,202)	\$ (11,964)	\$ -	\$ -
Working Capital Adjustment	-	-	-	-	-	-
US ENDING CASH	\$ 13,858	\$ 11,666	\$ 10,464	\$ (1,500)	\$ (1,500)	\$ (1,500)

- (1) The Debtors agree that each of the members of the Ad Hoc Group and the Priority Noteholders (each as defined in the Asset Purchase Agreement to which this document is an exhibit) reserve their rights and claims with respect to this Wind Down Budget as to cash payments in 2015 to members of the Board of Directors of Endeavour International Corporation that in years prior to 2015 were paid in the form of equity with a value of \$100,000 per annum per director.
- (2) Dissolution/Winddown cost assumed to include such expenses as: dissolving the DE and NV entities, state filings, final tax returns, final accounting fees transfer of books and records, termination of office leases, termination of licenses and subscriptions, any additional employee incentives as needed, etc.
- (3) Assumes no fees paid to ISA parties, beyond those fees earned as of the ISA termination date, except that, solely in the event that the closing has occurred under that certain Asset Purchase Agreement dated August 3, 2015, by and among Wells Fargo Bank, National Association (as trustee and collateral agent on behalf of the Noteholders and not in its individual capacity), Endeavour International Corporation, Endeavour Operating Corporation, and the "Priority Noteholders" signatory thereto (solely with respect to certain articles thereof), the fees and expenses of Houlihan Lokey Capital, Inc., Milbank, Tweed, Hadley & McCloy LLP, and Morris, Nichols, Aronst & Turnall LLP in their capacity as the Priority Noteholders' advisors solely with respect to those matters relating to the Asset Purchase Agreement and the Bankruptcy Case will be paid to the extent provided for in the Asset Purchase Agreement up to a maximum amount of \$3.5 million.
- (4) Line items represent amounts projected to be paid by EILUK under the EIC-EILUK Services Agreement, the EOC-EILUK Services Agreement, and reimbursements for the payment of insurance premiums and other insurance-related costs EILUK may owe to the Debtors. Additionally, \$1.6 million of KERP to U.S. employees to be paid from the UK directly.
- (5) If the U.S. sales proceeds are less than \$15.0 million, the Blackstone restructuring fee will be \$5.0 million rather than \$4.0 million.

SCHEDULE 6.3(e)

Subsidiaries of EIH

1. Endeavour Energy Luxembourg S.à r.l.
2. End Finco LLC
3. Endeavour Energy Netherlands B.V.
4. Endeavour Energy North Sea LLC
5. Endeavour Energy North Sea, L.P.
6. Endeavour Energy U.K. Limited
7. Endeavour North Sea Limited

Attachment 2

Settlement Agreement

SETTLEMENT AGREEMENT

This Settlement Agreement (as amended, supplemented or otherwise modified from time to time in accordance with its terms, this “Agreement”), dated as of August 3, 2015, is entered into by and among (i) Endeavour International Corporation (“EIC” or the “Company”), Endeavour Operating Corporation (“EOC”) and Endeavour Colorado Corporation (“Endeavour Colorado”) and, collectively with EIC and EOC, the “Endeavour Parties”), (ii) the undersigned beneficial holders, or investment advisors or managers for the account of beneficial holders (the “First Priority Noteholders”) of the 12% First Priority Notes due 2018 (the “First Priority Notes”) issued by EIC, and (iii) the undersigned beneficial holders, or investment advisors or managers for the account of beneficial holders (the “EEUK Term Loan Lenders”) of indebtedness under the EEUK Credit Agreement (as defined below). The Endeavour Parties, the First Priority Noteholders and the EEUK Term Loan Lenders are referred to herein collectively as the “Parties” and individually as a “Party.”

WHEREAS, on October 10, 2014, each of EIC, EOC, Endeavour Colorado, END Management Company, Endeavour Energy New Ventures Inc. and Energy Luxembourg S.à.r.l. (collectively, the “Debtors”) filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), and these cases are being jointly administered for procedural purposes only under Case No. 14-12308 (KJC) (collectively, the “Bankruptcy Cases”).

WHEREAS, on December 11, 2014, the United States Trustee for the District of Delaware, pursuant to section 1102(a)(1) of the Bankruptcy Code, appointed an official committee of unsecured creditors (the “UCC”) in the Bankruptcy Cases Docket No. 219.

WHEREAS, on April 10, 2015, the UCC filed *The Official Committee of Unsecured Creditors Objection to the Claims of the EEUK Secured Parties* Docket No. 547 (the “UCC Objection”) and, on April 10, 2015, the UCC filed the *Motion of Official Committee of Unsecured Creditors for Entry of an Order Granting Derivative Standing and Authority to Prosecute and Settle Claims on Behalf of the Debtors’ Estates* Docket No. 545, attaching a proposed complaint thereto (the “Standing Motion” and, together with the UCC Objection, the “UCC Pleadings”).

WHEREAS, on April 29, 2015, the Debtors filed a motion (the “Sale Motion”) to sell their U.S. assets (the “U.S. Sale Transactions”) Docket No. 600 and, on May 20, 2015, the Bankruptcy Court entered an order approving certain bidding and other procedures in connection with the U.S. Sale Transactions Docket No. 668, including scheduling a hearing (the “Sale Hearing”) to approve the U.S. Sale Transactions.

WHEREAS, contemporaneously with the execution of this Agreement, the Debtors filed a motion seeking entry of an order of the Bankruptcy Court (the “Approval and Release Order”) approving (a) that certain asset purchase agreement (the “Asset Purchase Agreement”), attached as “Exhibit A” to the motion, dated August 3, 2015, by and among (i) Wells Fargo Bank, National Association, as trustee and collateral agent under the First Priority Notes (the “First Priority Notes Agent”), (ii) EIC, as the parent of EOC, (iii) EOC, as seller, and (iv) the First Priority Noteholders, whereby the parties have agreed, pursuant to section 363 of the Bankruptcy

Code, to the sale, transfer and assignment of certain Purchased Assets (as defined in the Asset Purchase Agreement) to a newly-former purchaser (“NewCo”) and (b) the release of the claims and causes of action alleged in the UCC Pleadings (the “UCC Claims Release”).

WHEREAS, as of the date hereof, the First Priority Noteholders hold, in the aggregate, approximately 85% of the aggregate outstanding principal amount of the First Priority Notes issued by the Company under that certain Indenture, dated as of February 23, 2012, by and among the Company, as issuer, each of the guarantors named therein and Wells Fargo Bank, National Association, as trustee and collateral agent.

WHEREAS, as of the date hereof, the EEUK Term Loan Lenders hold, in the aggregate, approximately 81% of the aggregate outstanding principal amount under that certain Amendment Agreement, dated September 30, 2014, amending and restating that certain Credit Agreement (as amended, supplemented or otherwise modified from time to time in accordance with its terms, the “EEUK Credit Agreement”) dated as of January 24, 2014, by and among (a) Endeavour International Holding B.V. and End Finco LLC, as borrowers, (b) EIC, EOC, Endeavour Energy New Ventures, Inc., END Management Company, EEUK, Endeavour Energy Netherlands B.V., Endeavour North Sea LLC, and Endeavour North Sea, L.P., as guarantors, (c) Credit Suisse AG, Cayman Islands Branch, as administrative agent (the “EEUK Agent”), and (d) certain lenders thereto.

WHEREAS, the Parties wish to consensually resolve certain issues relating to the Bankruptcy Cases, including with respect to the ownership of NewCo and certain amendments to the EEUK Credit Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. Agreement of the Parties.

(a) Asset Purchase Agreement.

(i) This Agreement and the Asset Purchase Agreement and the transactions contemplated hereby and thereby are each an integral part of a single restructuring transaction and as such (A) the transactions contemplated by the Asset Purchase Agreement are conditioned upon the consummation of the transactions contemplated by this Agreement in accordance with its terms and (B) the transactions contemplated by this Agreement are conditioned upon the consummation of the transactions contemplated by the Asset Purchase Agreement in accordance with its terms.

(ii) Each of the First Priority Noteholders and the EEUK Term Loan Lenders hereby agrees and shall take any and all actions to ensure that the Closing pursuant to the Asset Purchase Agreement occurs simultaneously with the closing of the transactions, and the delivery of the agreements, documents, instruments and certificates, contemplated hereby or by the NewCo Governance Documents or the EEUK Amendment Documents (the “Settlement”).

Agreement Closing”), including the execution and delivery of fully executed copies of: (A) the NewCo Governance Documents, and (B) the EEUK Amendment Documents, in each case, as contemplated by and pursuant to the terms of this Agreement (including any consent and approval rights pursuant to this Agreement). For the avoidance of doubt, no Party shall cause, or permit, the Closing to occur unless the Settlement Agreement Closing occurs in accordance with the terms hereof and simultaneously with the Closing.

(iii) The amendment to the Seller-EEUK Services Agreement and the amendment to the EIC-EEUK Services Agreement shall be in form and substance reasonably acceptable to the Required First Priority Noteholders and the Required EEUK Term Loan Lenders (such amendments, the “Service Agreement Amendments”).

(iv) All capitalized terms used herein but not otherwise defined herein shall have the meanings assigned thereto in the Asset Purchase Agreement.

(b) Equity Term Sheet. The First Priority Noteholders and the EEUK Term Loan Lenders hereby agree to enter into, as soon as reasonably practical but in any event prior to, or contemporaneously with, the Closing, all of the definitive documentation regarding the equity, corporate governance and similar rights and obligations of NewCo and its equityholders (the “NewCo Governance Documents”), in each case, on the terms and conditions set forth in the term sheet attached hereto as Exhibit A (the “Equity Term Sheet,” including any schedules and exhibits attached thereto), and such other terms that are acceptable to each of (i) the First Priority Noteholders holding a majority of the aggregate outstanding principal amount of the First Priority Notes held by the First Priority Noteholders (such First Priority Noteholders, the “Required First Priority Noteholders”) and (ii) the EEUK Term Loan Lenders holding a majority of the aggregate outstanding principal amount of indebtedness under the EEUK Credit Agreement held by the EEUK Term Loan Lenders (such EEUK Term Loan Lenders, the “Required EEUK Term Loan Lenders”). The Equity Term Sheet is expressly incorporated herein and made a part of this Agreement.

(c) EEUK Credit Agreement Amendment Term Sheet. The First Priority Noteholders and the EEUK Term Loan Lenders hereby agree to enter into, as soon as reasonably practical but in any event prior to, or contemporaneous with, the Closing, an amendment to the EEUK Credit Agreement and such other agreements, documents, instruments and certificates contemplated thereby (the “EEUK Amendment Documents”), in each case, on the terms and conditions set forth in the term sheet attached hereto as Exhibit B (the “EEUK Credit Agreement Amendment Term Sheet,” including any schedules and exhibits attached thereto) and such other terms that are acceptable to the Required First Priority Noteholders and the Required EEUK Term Loan Lenders (it being understood that any amendment to the EEUK Credit Agreement shall require the approval of the Required Lenders (as such term is defined in the EEUK Credit Agreement)). The EEUK Credit Agreement Amendment Term Sheet is expressly incorporated herein and made a part of this Agreement.

(d) Amendments/Modifications to Asset Purchase Agreement. The First Lien Noteholders hereby agree that the purchaser designated in the Purchaser Assignment shall be, and the First Lien Noteholders shall instruct the First Priority Agent to cause the purchaser designated in the Purchaser Assignment to be, the newly formed company defined as the

“Company” in the Equity Term Sheet or a wholly-owned subsidiary thereof unless otherwise agreed by the Required EEUK Term Loan Lenders. The First Lien Noteholders hereby agree that they (i) shall not direct the First Priority Agent to agree or consent to, shall direct the First Priority Agent not to agree or consent to, and shall not otherwise agree to, any amendment, modification or waiver of the Asset Purchase Agreement, the Direction Letter, the Wind Down Budget, the Services Agreement Amendments, or any of the agreements, documents, instruments and certificates contemplated thereby (such agreements, documents, instruments and certificates, together with the Direction Letter, the Wind Down Budget, the Services Agreement Amendments, and the Purchaser Assignment, the “Transaction Documents”), (ii) shall not, and shall direct the First Priority Agent not to, waive any violation of or default under (with or without notice, lapse of time, or both) the Asset Purchase Agreement or any Transaction Document, or (iii) shall not waive any condition precedent to the obligations of the First Priority Agent or Purchaser, including any such condition set forth in Section 10.1 of the Asset Purchase Agreement, in each case, unless the Required EEUK Term Loan Lenders consent to such amendment, modification, waiver, or other action or inaction.

(e) Sale of Endeavour Colorado. The Parties hereby agree that with respect to any and all proceeds and consideration received from a U.S. Sale Transaction (as defined in the Asset Purchase Agreement) including the assets of Endeavour Colorado (such transaction, the “Colorado Sale Transaction”), (A) such proceeds and consideration shall be used to pay the reasonable out-of-pocket expenses of EIC, EOC and their subsidiaries to the extent, and solely to the extent, incurred as a direct result of the Colorado Sale Transaction and to the extent any assets of Endeavour Colorado are sold as part of a U.S. Sale Transaction with other assets which are not assets of Endeavour Colorado, such expenses shall be allocated between the Colorado Sale Transaction and such other transactions based on the proportion that the proceeds generated by the sale of the assets of Endeavour Colorado bears to the total proceeds received in such U.S. Sale Transaction and (B) any remaining proceeds and consideration after reduction for such expenses described in clause (A) shall be distributed to the lenders under the EEUK Credit Agreement (as directed by the EEUK Agent and pro rata in accordance with each such lenders’ pro rata share of the total Indebtedness outstanding pursuant to such EEUK Credit Agreement); provided, however, that any such proceeds and consideration paid to such lenders shall reduce such lender’s respective outstanding Indebtedness under such EEUK Credit Agreement.

(f) Sale of Debtors’ Other U.S. Assets. The Parties hereby agree that with respect to any and all proceeds and consideration received from a U.S. Sale Transaction excluding any proceeds and consideration to be paid or allocated pursuant to Section 1(e) above, including any expenses of the type to be paid pursuant to Section 1(e), (A) 47.0% of such proceeds and consideration shall be distributed to the lenders under the EEUK Credit Agreement (as directed by the EEUK Agent and pro rata in accordance with each such lenders’ pro rata share of the total indebtedness outstanding pursuant to such EEUK Credit Agreement); provided, however, that any such proceeds and consideration paid to such lenders shall reduce such lender’s respective outstanding indebtedness under such EEUK Credit Agreement and (B) 53.0% of such proceeds and consideration shall be paid and deposited into a segregated EOC bank account (the “Wind Down Account”). The Parties further agree that, in accordance with the Asset Purchase Agreement, the proceeds and consideration deposited in the Wind Down Account (such proceeds and consideration then in the Wind Down Account, the “Noteholder”

Asset Sale Proceeds”) shall be utilized as follows: (i) first, to fund the Wind Down Expenses in accordance with the Wind Down Budget and the terms of the Asset Purchase Agreement, (ii) second, to repay any Additional Wind Down Payments paid by EEUK and (iii) third, to the extent funds remain after such repayment of any Additional Wind Down Payments, to repay the indebtedness owed to the lenders under the EEUK Credit Agreement (as directed by the EEUK Agent and pro rata in accordance with each such lenders’ pro rata share of the total indebtedness outstanding pursuant to such EEUK Credit Agreement); *provided, however*, that (A) any such proceeds and consideration paid to such lenders shall reduce such lender’s respective outstanding indebtedness under such EEUK Credit Agreement and (B) in the event that (x) the EEUK Term Loan Lenders breach their obligations pursuant to this Agreement and such breach results in the termination of this Agreement and the Asset Purchase Agreement, or (y) EIC or EOC breach their obligations pursuant to this Agreement or the Asset Purchase Agreement and such breach results in the termination of this Agreement and the Asset Purchase Agreement, then notwithstanding anything herein to the contrary (but without modifying or effecting the EEUK Credit Agreement) any funds remaining after such repayment of any Additional Wind Down Payments shall not be distributed to the lenders under the EEUK Credit Agreement pursuant to the foregoing clause (iii) but rather shall be distributed to the Noteholders as directed by the First Priority Notes Agent pro rata in accordance with each such Noteholders’ pro rata share of the total Indebtedness outstanding pursuant to the Indenture Documents.

(g) Bankruptcy Court Approval of the UCC Claims Release and Distribution of Proceeds. The Parties hereby agree that entry of an order of the Bankruptcy Court in form and substance acceptable to the EEUK Term Loan Lenders, which order may be the Approval and Release Order, (i) approving the UCC Claims Release, in a manner satisfactory to the Required EEUK Term Loan Lenders; and (ii) approving the distribution of sale proceeds in accordance with Sections 1(e) and (f) hereof, shall be conditions precedent to the Closing, which conditions may not be waived absent the consent of the Required EEUK Term Loan Lenders.

(h) Limitations on Intercompany Transfers. Upon the execution of this Agreement, notwithstanding whether permitted pursuant to the terms of the EEUK Credit Agreement, EIC and EOC shall not cause any of its subsidiaries to make or cause to be made, and the Debtors shall not accept, any distributions, dispositions or other transfers of cash, assets or property from EIHBV or any of its subsidiaries except on account of (i) any cash payments Endeavour Energy U.K. Limited (“EEUK”) may owe to the Debtors under (A) that certain Services Agreement, dated as of January 1, 2014, by and between EIC and EEUK (as amended, supplemented or otherwise modified from time to time in accordance with its terms) or (B) under that certain Services Agreement, dated as of January 1, 2014, by and between EOC and EEUK (as amended, supplemented or otherwise modified from time to time in accordance with its terms); (ii) reimbursements for the payment of insurance premiums and other insurance-related costs EEUK may owe to the Debtors; or (iii) any amounts necessary to fund the Wind Down Expenses in accordance with the terms of the Asset Purchase Agreement in the event of a shortfall in the Noteholder Asset Sale Proceeds; *provided, however*, that the sum of the payments and reimbursements described in clauses (i) and (ii) for the time period from August 1, 2015 until October 16, 2015 shall not, without the consent of both the Required First Priority Noteholders and the Required EEUK Term Loan Lenders, exceed \$5.0 million, in the aggregate, and, with respect to subsequent periods, shall not, without the consent of both the Required First

Priority Noteholders and the Required EEUK Term Loan Lenders, exceed 110% of the applicable immediately preceding month's sum of the payments and reimbursements (pro rated for any partial month).

(i) Right to Select Chief Executive Officer. The First Priority Noteholders and the EEUK Term Loan Lenders hereby agree that the First Priority Noteholders shall select the Chief Executive Officer of NewCo, subject to consultation rights for the EEUK Term Loan Lenders and approval by a majority of the Board of Directors of NewCo, which majority shall include the Independent Director and at least one Class A Director (as such terms are defined in the Equity Term Sheet and/or the definitive documentation reflecting the terms and conditions of the Equity Term Sheet).

2. Termination of Agreement. This Agreement shall automatically terminate, without any action required by the Parties: (i) on October 16, 2015 if the Bankruptcy Court has not entered on a final basis the Approval and Release Order, or (ii) if the Bankruptcy Court grants relief that is inconsistent with this Agreement (including the exhibits hereto) in any materially adverse respect, (iii) upon termination of the Asset Purchase Agreement, or (iv) three (3) Business Days following the material breach of this Agreement by any Party, provided that a non-breaching Party provides to the other Parties hereto a notice setting forth such material breach at least five (5) Business Days prior to such termination. The Endeavour Parties agree, and the First Priority Noteholders agree to direct the First Priority Agent, not to close the Asset Purchase Agreement, and in no event shall the Closing under the Asset Purchase Agreement occur, if (a) this Agreement is not at such time in full force and effect or (b) any breach or default shall have occurred and be continuing under this Agreement (whether with or without notice, lapse of time, or both).

3. Definitive Documents; Good Faith Cooperation; Further Assurances. Each Party hereby covenants and agrees to cooperate with each other in good faith in connection with, and shall exercise reasonable best efforts with respect to the pursuit, approval, implementation and consummation of the transactions contemplated by this Agreement, as well as the negotiation, drafting, execution and delivery of the definitive documentation. Furthermore, subject to the terms hereof, each of the Parties shall take such action as may be reasonably necessary or reasonably requested by the other Parties to carry out the purposes and intent of this Agreement, and shall refrain from taking any action that would frustrate the purposes and intent of this Agreement.

4. Representations and Warranties.

(a) Each First Priority Noteholder and EEUK Term Loan Lender, severally (and neither jointly nor jointly and severally), represents and warrants to the other Parties that the following statements are true, correct and complete as of the date hereof (it being understood that where an investment manager or adviser is making such representations and warranties on behalf of beneficial owners over which it holds investment discretion, such representations and warranties shall be deemed to be made by each such beneficial owner severally and not jointly):

(i) Such Party is validly existing and in good standing under the laws of its jurisdiction of incorporation or organization, and has all requisite corporate,

partnership, limited liability company or similar authority to enter into this Agreement and carry out the transactions contemplated hereby and perform its obligations contemplated hereunder. The execution and delivery of this Agreement and the performance of such Party's obligations hereunder have been duly authorized by all necessary corporate, limited liability company, partnership or other similar action on its part.

(ii) The execution, delivery and performance by such Party of this Agreement does not and will not (A) violate any material provision of law, rule or regulation applicable to it or any of its subsidiaries or its charter or bylaws (or other similar governing documents), or (B) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it is a party.

(iii) The execution, delivery and performance by such Party of this Agreement does not and will not require any material registration or filing with, consent or approval of, or notice to, or other action, with or by, any federal, state or governmental authority or regulatory body, except such filings as may be necessary or required by the SEC.

(iv) This Agreement is the legally valid and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

5. Specific Performance. The Parties acknowledge and agree that a breach of this Agreement would cause irreparable damage to the other Parties and that the non-breaching Party or Parties would not have an adequate remedy at law. Therefore, the Parties acknowledge and agree that (a) the Parties shall be entitled to an injunction, specific performance, or other equitable relief, to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, without proof of damages, this being in addition to any other remedy to which they are entitled under this Agreement, and (b) the right of specific enforcement is an integral part of the transactions contemplated by this Agreement and without that right, no Party would have entered into this Agreement. Each Party agrees that it will not oppose the granting of specific performance and other equitable relief on the basis that the other Parties have an adequate remedy at law or that an award of specific performance is not an appropriate remedy for any reason at law or equity. The Parties acknowledge and agree that any Party seeking an injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section 5 shall not be required to provide any bond or other security in connection with any such injunction.

6. Effectiveness. This Agreement shall become effective and binding upon each Party upon the execution and delivery by such Party of an executed signature page hereto.

7. Choice of Law; Jurisdiction. Except for matters as to which the Bankruptcy Code applies, this Agreement shall be governed by and construed in accordance with

the laws of the State of New York applicable to contracts made and performed in such State, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of New York or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of New York. The Parties agree that the Bankruptcy Court shall retain exclusive jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Agreement.

8. Headings. The headings of the sections, paragraphs and subsections of this Agreement are inserted for convenience only and shall not affect the interpretation hereof or, for any purpose, be deemed a part of this Agreement.

9. Successors and Assigns; Severability. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors, permitted assigns, heirs, executors, administrators and representatives. If any provision of this Agreement, or the application of any such provision to any person or entity or circumstance, shall be held invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision hereof and this Agreement shall continue in full force and effect. Upon any such determination of invalidity, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a reasonably acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

10. Several, Not Joint, Obligations. The agreements, representations and obligations of the Parties under this Agreement are, in all respects, several and not joint.

11. Relationship Among Parties. Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties and no other person or entity shall be a third-party beneficiary hereof. No Party shall have any responsibility for any trading by any other entity by virtue of this Agreement. No prior history, pattern or practice of sharing confidences among or between the Parties shall in any way affect or negate this understanding and agreement. The Parties have no agreement, arrangement, or understanding with respect to acting together for the purpose of acquiring, holding, voting or disposing of any equity securities of the Company and do not constitute a “group” within the meaning of Rule 13d-5 under the Securities Exchange Act of 1934, as amended.

12. Prior Negotiations; Entire Agreement. This Agreement, including the exhibits and schedules hereto, the Asset Purchase Agreement and that certain separate release letter from the EEUK Term Loan Lenders to EIC, constitute the entire agreement of the Parties, and supersedes all other prior negotiations, with respect to the subject matter hereof and thereof. This Agreement can be amended, supplemented or changed, and any provision hereof can be waived, only by written instrument making specific reference to this Agreement signed by the Party against whom enforcement of any such amendment, supplement, modification or waiver is sought. No action taken pursuant to this Agreement, including any investigation by or on behalf of any Party, shall be deemed to constitute a waiver by the Party taking such action of compliance with any representation, warranty, covenant or agreement contained herein. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or

subsequent breach. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

13. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same agreement. Execution copies of this Agreement delivered by facsimile or PDF shall be deemed to be an original for the purposes of this paragraph.

14. Notices. All notices hereunder shall be deemed given if in writing and delivered, if contemporaneously sent by electronic mail, facsimile, courier or by registered or certified mail (return receipt requested) to the following addresses and facsimile numbers:

(a) If to any Debtor, to:

Endeavour International Corporation
811 Main Street, Suite 2100
Houston, TX 77002
Attention: Cathy Stubbs
Facsimile: 713-307-8794
Email: cathy.stubbs@endeavourcorp.com

With a copy to:

Weil, Gotshal & Manges LLP (as counsel to the Company)
767 Fifth Avenue
New York, NY 10153
Facsimile: (212) 310-8007
Attention: Gary T. Holtzer and Ted S. Waksman
Email: gary.holtzer@weil.com and ted.waksman@weil.com

(b) If to the First Priority Noteholders, to:

Milbank Tweed Hadley & McCloy LLP
1 Chase Manhattan Plaza
New York, NY 10005
Facsimile: (212) 530-5219
Attention: Dennis F. Dunne
Email: ddunne@milbank.com

(c) If to the EEUK Term Loan Lenders, to:

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, NY 10036

Facsimile: (212) 872-1002

Attention: Michael S. Stamer and Meredith A. Lahaie

Email: mstamer@akingump.com and mlaahaie@akingump.com

Any notice given by delivery, mail or courier shall be effective when received. Any notice given by facsimile or electronic mail shall be effective upon oral, machine or electronic mail (as applicable) confirmation of transmission. Any notice, writing or other communication given to the First Priority Agent or the Priority Noteholders pursuant to, under or with respect to the Asset Purchase Agreement or the Transaction Documents shall promptly, but in any event no later than one (1) Business Day after receipt thereof, be given to the EEUK Term Loan Lenders pursuant to the terms of this Agreement.

15. Settlement Discussions. This Agreement and the term sheets attached hereto are part of a proposed settlement of matters that could otherwise be the subject of litigation among the Parties. Pursuant to Rule 408 of the Federal Rule of Evidence, any applicable state rules of evidence and any other applicable law, foreign or domestic, this Agreement and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms.

16. Transfers by First Priority Noteholders and EEUK Term Loan Lenders. The First Priority Noteholders hereby agree that until the earlier to occur of (a) the closing under this Agreement and the Asset Purchase Agreement and (b) the termination of the Asset Purchase Agreement or this Agreement by their respective terms, no First Priority Noteholders shall transfer any First Priority Notes unless either (i) the applicable transferee signs a customary joinder to the Asset Purchase Agreement and this Agreement pursuant to which such transferee agrees to be bound by and subject to the Asset Purchase Agreement and this Agreement on the same terms and conditions as such transferor or (ii) the applicable transferring First Priority Noteholder, together with such parties who have executed joinders, continue to hold following such transfer at least the same amount of First Priority Notes as such First Priority Noteholder held as of the date hereof. The EEUK Term Loan Lenders hereby agree that until the earlier to occur of (a) the closing under this Agreement and the Asset Purchase Agreement and (b) the termination of the Asset Purchase Agreement or this Agreement by their respective terms, no EEUK Term Loan Lenders shall transfer any indebtedness under the EEUK Credit Agreement unless either (i) the applicable transferee signs a customary joinder to this Agreement pursuant to which such transferee agrees to be bound by and subject to this Agreement on the same terms and conditions as such transferor or (ii) the applicable transferring EEUK Term Loan Lender, together with such parties who have executed joinders, continue to hold following such transfer at least the same amount of indebtedness under the EEUK Credit Agreement as such EEUK Term Loan Lender held as of the date hereof.

17. Interpretation; Rules of Construction; Representation by Counsel. When a reference is made in this Agreement to a Section, Exhibit or Schedule, such reference shall be to a Section, Exhibit or Schedule, respectively, of or attached to this Agreement unless otherwise indicated. Unless the context of this Agreement otherwise requires, (a) words using the singular or plural number also include the plural or singular number, respectively, (b) the terms “hereof,” “herein,” “hereby” and derivative or similar words refer to this entire Agreement, (c)

the words “include,” “includes” and “including” when used herein shall be deemed in each case to be followed by the words “without limitation,” and (d) the word “or” shall not be exclusive and shall be read to mean “and/or.” The Parties agree that they have been represented by legal counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document shall be construed against the party drafting such agreement or document.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their respective duly authorized officers, solely in their respective capacity as officers of the undersigned and not in any other capacity, as of the date first set forth above.

[Remainder of page intentionally left blank]

FIRST PRIORITY NOTEHOLDERS:

AEC (Lux) S.a.r.l.

By: Apollo European Credit Management, L.P.,
its investment manager
By: Apollo European Credit Management GP, LLC,
its general partner

By: 
Name: Joseph D. Glat
Title: Vice President

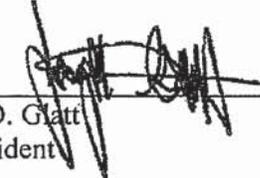
AES (Lux) S.a.r.l.

By: Apollo European Strategic Management, L.P.,
its investment manager
By: Apollo European Strategic Management, LLC,
its general partner

By: 
Name: Joseph D. Glat
Title: Vice President

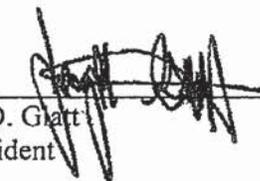
Apollo Centre Street Partnership, L.P.

By: Apollo Centre Street Advisors (APO DC), L.P., its general partner
BY: Apollo Centre Street Advisors (APO DC-GP), LLC, its general partner

By: 
Name: Joseph D. Glat
Title: Vice President

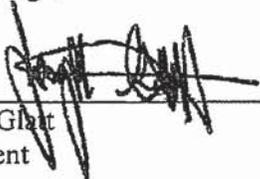
Apollo Credit Opportunity Trading Fund III

By: Apollo Credit Opportunity Advisors III LP,
its general partner
By: Apollo Credit Opportunity Advisors III GP LLC, its general partner

By: 
Name: Joseph D. Glat
Title: Vice President

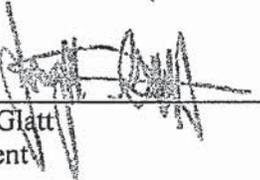
Apollo Credit Strategies Master Fund Ltd.

By: Apollo ST Fund Management LLC,
its Investment Manager

By: 
Name: Joseph D. Glatt
Title: Vice President

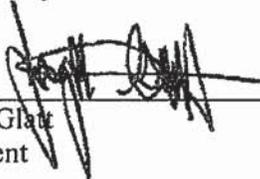
Apollo Franklin Partnership, L.P.

By: Apollo Franklin Advisors (APO DC), L.P., its General Partner
By: Apollo Franklin Advisors (APO DC-GP), LLC, its General Partner

By: 
Name: Joseph D. Glatt
Title: Vice President

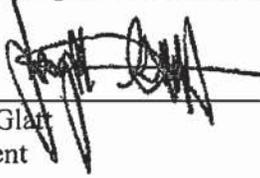
Apollo SK Strategic Investments, L.P.

By: Apollo SK Strategic Advisors, L.P, its general partner
By: Apollo SK Strategic Advisors, LLC, its general partner

By: 
Name: Joseph D. Glatt
Title: Vice President

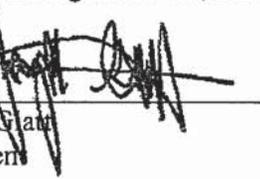
Apollo Special Opportunities Managed Account, L.P.

By: Apollo SVF Management, L.P., its investment manager
By: Apollo SVF Management GP, LLC, its general partner

By: 
Name: Joseph D. Glatt
Title: Vice President

Apollo Value Investment Master Fund, L.P.

By: Apollo Value Management, L.P., its investment manager
By: Apollo Value Management GP, LLC, its general partner

By: 
Name: Joseph D. Glatt
Title: Vice President

Apollo Zeus Strategic Investments, L.P.

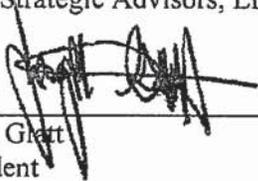
By: Apollo Zeus Strategic Advisors, L.P., its general partner

By: Apollo Zeus Strategic Advisors, LLC, its general partner

By: _____

Name: Joseph D. Gritt

Title: Vice President

A handwritten signature in black ink, appearing to read 'J. Gritt', is written over a horizontal line. The signature is stylized and somewhat illegible.

~~ARISTEIA CAPITAL, L.L.C.~~

By: 
Name: William R. Techar
Title: Manager
Aristeia Capital, L.L.C.



Andrew B. David
General Counsel
Aristeia Capital, L.L.C.

**AVENUE MUTUAL FUNDS TRUST, on behalf of its series
AVENUE CREDIT STRATEGIES FUND**

By: _____
Name: Sonja Gardner
Title: Authorized Signatory

AVENUE INVESTMENTS, L.P.

By: Avenue Partners, LLC
its General Partner

By: _____
Name: Sonja Gardner
Title: Member

AVENUE COPPERS OPPORTUNITIES FUND, L.P.

By: Avenue COPPERS Opportunities Fund GenPar,
LLC
its General Partner

By: _____
Name: Sonja Gardner
Title: Member

5

AVENUE ENERGY OPPORTUNITIES FUND, L.P.

By: Avenue Energy Opportunities Partners, LLC
its General Partner

By: GL Energy Opportunities Partners, LLC
its Managing Member

By: _____
Name: Sonia Gardner
Title: Member

**AVENUE ENTRUST CUSTOMIZED
PORTFOLIO SPC ON BEHALF AND FOR
THE ACCOUNT OF AVENUE US/EUROPE
DISTRESSED SEGREGATED PORTFOLIO**

By: _____
Name: Sonia Gardner
Title: Director

AVENUE INTERNATIONAL MASTER, L.P.

By: Avenue International Master GenPar, Ltd.
its General Partner

By: _____
Name: Sonia Gardner
Title: Director

[Signature Page to Settlement Agreement]

6

MANAGED ACCOUNTS MASTER FUND SERVICES - MAP10

a Sub Trust of Managed Accounts Master Fund Services

By: Avenue Capital Management II, L.P.,
its Investment Manager

By: Avenue Capital Management II GenPar, LLC,
its General Partner

By: _____
Name: Sonia Gardner
Title: Managing Member

AVENUE PPF OPPORTUNITIES FUND, L.P.

By: Avenue PPF Opportunities Fund GenPar, LLC
its General Partner

By: _____
Name: Sonia Gardner
Title: Member

AVENUE SPECIAL OPPORTUNITIES FUND I, L.P.

By: Avenue SO Capital Partners I, LLC
its General Partner

By: GL SO Partners I, LLC
its Managing Member

By: _____
Name: Sonia Gardner
Title: Member

[Signature Page to Settlement Agreement]

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**AVENUE SPECIAL OPPORTUNITIES CO-
INVESTMENT FUND I, L.P.**

By: Avenue SO Capital Partners I, LLC
its General Partner

By: GL SO Partners I, LLC
its Managing Member

By:
Name: Sonia Gardner
Title: Member

[Signature Page to Settlement Agreement]



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their respective duly authorized officers, solely in their respective capacity as officers of the undersigned and not in any other capacity, as of the date first set forth above.

EEUK TERM LOAN LENDER:

BARCLAYS BANK PLC

By: 
Name: Daniel Crowley
Title: Managing Director

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their respective duly authorized officers, solely in their respective capacity as officers of the undersigned and not in any other capacity, as of the date first set forth above.

EEUK TERM LOAN LENDER:

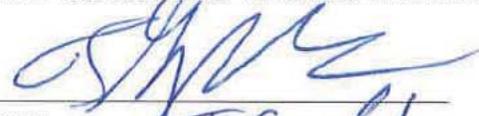
**CARLSON CAPITAL, L.P., in its capacity as
Investment Advisor to each of Double Black
Diamond Offshore Ltd. and Black Diamond Offshore
Ltd.**

By: Lynne B. Alpar
Lynne B. Alpar
Chief Financial Officer

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their respective duly authorized officers, solely in their respective capacity as officers of the undersigned and not in any other capacity, as of the date first set forth above.

EEUK TERM LOAN LENDER:

CASPIAN CAPITAL LP on behalf of its advisees

By: 
Name: T. Gary Lukas
Title: President

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their respective duly authorized officers, solely in their respective capacity as officers of the undersigned and not in any other capacity, as of the date first set forth above.

EEUK TERM LOAN LENDER:

**CREDIT VALUE PARTNERS, LP, as agent for
funds and accounts under management**

By: 
Name: MICHAEL GEROUX
Title: PARTNER

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their respective duly authorized officers, solely in their respective capacity as officers of the undersigned and not in any other capacity, as of the date first set forth above.

EEUK TERM LOAN LENDER:

**HUDSON BAY ABSOLUTE RETURN CREDIT
OPPORTUNITIES MASTER FUND LTD**

By: _____

Name:

Title:



Philip M. Day

Authorized Individual

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their respective duly authorized officers, solely in their respective capacity as officers of the undersigned and not in any other capacity, as of the date first set forth above.

EEUK TERM LOAN LENDER:

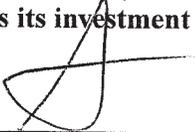
MAGNETAR FINANCIAL LLC,
on behalf of each of the following lenders:
BLACKWELL PARTNERS LLC
COMPASS OFFSHORE HTV PCC LIMITED
COMPASS HTV LLC LIMITED
MAGNETAR CAPITAL MASTER FUND, LTD
MAGNETAR GLOBAL EVENT DRIVEN MASTER FUND LTD
SPECTRUM OPPORTUNITIES MASTER FUND LTD

By: 
Name: Michael Turro
Title: Chief Compliance Officer

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their respective duly authorized officers, solely in their respective capacity as officers of the undersigned and not in any other capacity, as of the date first set forth above.

EEUK TERM LOAN LENDER:

**RIMROCK HIGH INCOME PLUS (MASTER) FUND
RIMROCK LOW VOLATILITY (MASTER) FUND
RIMROCK GLOBAL CREDIT (MASTER) FUND, LTD
By: Rimrock Capital, as its investment manager**

By: 
Name: Santino Blumetti
Title: Managing Director

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their respective duly authorized officers, solely in their respective capacity as officers of the undersigned and not in any other capacity, as of the date first set forth above.

EEUK TERM LOAN LENDER:

WINGSPAN INVESTMENT MANAGEMENT

By: 

Name: Brendan Driscoll

Title: COO/CFO

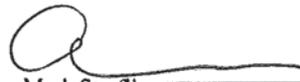
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their respective duly authorized officers, solely in their respective capacity as officers of the undersigned and not in any other capacity, as of the date first set forth above.

EEUK TERM LOAN LENDER:

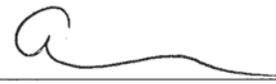
**WHITEBOX MULTI-STRATEGY PARTNERS,
L.P.**

By: 
Name: Mark Strefling
Title: General Counsel & Chief Operating Officer
Whitebox Advisors LLC

PANDORA SELECT PARTNERS, L.P.

By: 
Name: Mark Strefling
Title: General Counsel & Chief Operating Officer
Whitebox Advisors LLC

WHITEBOX INSTITUTIONAL PARTNERS, L.P.

By: 
Name: Mark Strefling
Title: General Counsel & Chief Operating Officer
Whitebox Advisors LLC

THE UNDERSIGNED DEBTORS,

**ENDEAVOUR INTERNATIONAL
CORPORATION**

By: Cathy Stubbs
Name: Catherine L. Stubbs
Title: Senior Vice President, Chief Financial Officer

ENDEAVOUR OPERATING CORPORATION

By: Cathy Stubbs
Name: Catherine L. Stubbs
Title: Senior Vice President, Chief Financial Officer

ENDEAVOUR COLORADO CORPORATION

By: Cathy Stubbs
Name: Catherine L. Stubbs
Title: Senior Vice President, Chief Financial Officer

EXHIBIT A

Equity Term Sheet

**ENDEAVOUR INTERNATIONAL CORPORATION
PRINCIPAL EQUITY TERMS FOR NEWCO**

THIS TERM SHEET IS FOR DISCUSSION PURPOSES ONLY AND DOES NOT INCLUDE ALL OF THE TERMS THAT WOULD BE REQUIRED TO BE INCLUDED IN THE DEFINITIVE DOCUMENTS, AND SHALL NOT BE BINDING UPON ANY PARTY. THIS TERM SHEET IS STRICTLY CONFIDENTIAL AND MAY NOT BE SHARED WITH ANYONE OTHER THAN ITS INTENDED RECIPIENTS AND THEIR REPRESENTATIVES AND ADVISORS. THIS TERM SHEET DOES NOT CONSTITUTE AN OFFER TO SELL OR BUY, NOR THE SOLICITATION OF AN OFFER TO SELL OR BUY, ANY SECURITIES OF THE COMPANY (AS DEFINED BELOW) OR ANY OF ITS SUBSIDIARIES. ANY SUCH OFFER OR SOLICITATION SHALL ONLY BE MADE IN COMPLIANCE WITH ALL APPLICABLE LAWS.

NewCo

- All of the equity of Endeavour International Holding B.V. (“**EIHBV**”), and the intercompany note with a face amount of \$500 million issued by Endeavour Energy UK Limited (“**EEUK**”), will be acquired by a newly formed Delaware limited liability company or another entity type (as agreed by both the Required First Priority Noteholders and the Required EEUK Term Loan Lenders (in each case, as defined in the Settlement Agreement to which this Term Sheet is attached)) (the “**Company**”). The Company will elect to be taxed as a partnership for federal, state and local tax purposes.
- The lenders under that certain Credit Agreement, dated January 24, 2014, by and among EIHBV, END Finco LLC, Endeavor International Corporation (“**EIC**”), the guarantors party thereto, Credit Suisse AG, Cayman Islands Branch, and the lenders thereto (as amended by that certain Amendment Agreement, dated September 30, 2014, by and among the parties, the “**EEUK Credit Agreement**”) will receive, in the aggregate, (i) 10 million (representing one-third of the fully diluted equity of the Company (excluding, for such purposes, the Warrants (as defined below), the Class B Shares issuable upon exercise thereof and the Additional Class A Shares (as defined below)) Class A limited liability company interests (or equivalent) of the Company (“**Class A Shares**”); *provided*, that for every \$100,000 in wind down expenses that EEUK does, directly or indirectly, fund in excess of the first \$4 million, such lenders shall receive a number of Class A Shares (such additional Class A Shares, the “**Additional Class A Shares**”) such that the percentage of total outstanding Shares initially held by such lenders would be 0.25% greater¹ and (ii) warrants with an exercise price of \$0.00001 per share (“**Warrants**”) that, when exercised, will entitle the holders thereof to receive Class B limited liability company interests (or equivalent) of the Company (“**Class B Shares**” and, together with the Class A Shares, the “**Shares**”) representing, together with the Class A Shares above, 95% of the fully diluted equity of the Company. The Warrants shall automatically exercise only upon the earliest to occur of (i) 21 days prior to maturity of the EEUK Term Loan (as defined below) (such maturity date, as used in this Term Sheet, refers to the maturity date as in effect on the closing of the transactions contemplated hereby), (ii) authorization by the Board of Directors of the Company for the filing of any voluntary bankruptcy, insolvency or liquidation proceeding (including, but not limited to, any chapter 11 proceeding, any scheme of arrangement, any UK administration or any other similar or analogous proceeding) for the Company or any of its subsidiaries, and (iii) the filing of any involuntary bankruptcy, insolvency or liquidation proceeding (including, but not

¹ For example, if the lenders under the EEUK Credit Agreement are obligated, in the aggregate, to pay \$4.1 million in wind down expenses, such lenders would receive, in the aggregate, 112,922 Class A Shares. Further, if the lenders under the EEUK Credit Agreement are obligated, in the aggregate, to pay \$4.2 million in wind down expenses, such lenders would receive, in the aggregate, 226,699 Class A Shares.

limited to, any chapter 7 proceeding, any scheme of arrangement, any UK administration or any other similar or analogous proceeding) for the Company or any of its subsidiaries (such date, the “**Warrant Exercise Date**”). The Warrants shall automatically be cancelled upon the refinancing and repayment, in full of all indebtedness under, including all fees, expenses and other amounts due pursuant to, the EEUK Credit Agreement (the “**EEUK Term Loan**”) so long as such refinancing and repayment is completed in full at least 21 days prior to the maturity of the EEUK Term Loan (such date of cancellation, the “**Warrant Cancellation Date**”).

- The holders of the 12% First Priority Notes due in 2018 (together with any additional notes) issued under that certain Indenture, dated as of February 23, 2012, of EIC, will receive, in the aggregate, 20 million (representing two-thirds of the fully diluted equity of the Company (excluding, for such purposes, the Warrants, the Class B Shares issuable upon exercise thereof, and any Additional Class A Shares)) Class B Shares.
- Except as specified in this term sheet, Class A Shares and Class B Shares shall each have one vote per share and shall vote together as a single class and have identical rights and privileges. Further, upon the exercise of the Warrants, the Class A Shares and the Class B Shares shall collapse into a single class of identical equity.
- The limited liability company agreement of the Company, or the equivalent organizational documents of the Company if it is not a Delaware limited liability company (the “**LLC Agreement**”), will provide, *inter alia*, for the governance, transferability and information rights contained herein and such other rights and provisions as otherwise agreed upon by the parties to that certain settlement agreement to which this Term Sheet is attached.

Board of Directors

- The Company will be governed by a seven member board of directors (the “**Board**”). The LLC Agreement will provide that, prior to the Warrant Exercise Date, (i) two directors will be selected by a plurality vote of the holders of Class A Shares (the “**Class A Directors**”), (ii) three directors will be selected by a plurality vote of the holders of Class B Shares, subject to the designation rights set forth below (the “**Class B Directors**”), (iii) one director will be the CEO of the Company (the “**CEO Director**”) (*provided*, that if there is no CEO of the Company, such CEO Director seat shall remain vacant until a CEO is appointed whether on an interim or permanent basis), and (iv) one director will be an “independent” director selected by a majority of each of (A) the Class A Directors and (B) the Class B Directors (the “**Independent Director**”). The initial Class A Directors, Class B Directors, and the Independent Director will be appointed pursuant to and specified in the LLC Agreement. The LLC Agreement will further provide that, prior to the Warrant Exercise Date, the Class B Directors will be designated as follows:
 - 1 designee of Apollo, for so long as Apollo holds at least 5% of the outstanding Class B Shares; *provided*, that such designation right will be transferable to any Permitted Acquiror (as defined below) acquiring at least 90% of the Class B Shares initially held by Apollo in one transaction or series of related transactions;
 - 1 designee of Aristeia, for so long as Aristeia holds at least 5% of the outstanding Class B Shares; *provided*, that such designation right will be transferable to any Permitted Acquiror acquiring at least 90% of the Class B Shares initially held by Aristeia in one transaction or series of

related transactions; and

- 1 designee of Avenue, for so long as Avenue holds at least 5% of the outstanding Class B Shares; *provided*, that such designation right will be transferable to any Permitted Acquiror acquiring at least 90% of the Class B Shares initially held by Avenue in one transaction or series of related transactions.
- Unless otherwise unanimously agreed by the Board, each subsidiary of the Company shall have comparable governance rights as the Company, which shall include, but not be limited to, each board of a subsidiary of the Company or comparable governing body of a subsidiary of the Company having the same relative composition (in terms of Class A Directors, Class B Directors and the Independent Director) as the Board. Each committee of the Board or any board of any subsidiary of the Company shall also have the same relative composition (in terms of Class A Directors, Class B Directors and the Independent Director) as the Board.
- A “*Permitted Acquiror*” means any person or entity (or group of affiliated persons and entities) that (i) did not directly or indirectly derive a majority of its consolidated revenues during the prior calendar year from the acquisition, exploration and development of energy reserves and resources, or is an affiliate of such a person or entity and (ii) is not then in a pending litigation filed in court with the Company or any of its subsidiaries (including EIHBV and its subsidiaries).
- Directors shall be elected annually. Prior to the Warrant Exercise Date, (i) a Class A Director may only be removed, with or without cause, by the vote of the holders of a majority of the outstanding Class A Shares, and (ii) a Class B Director may only be removed, with or without cause, by the vote of the holders of a majority of the outstanding Class B Shares. In the event that any Class A Director seat becomes vacant for any reason prior to the annual shareholders meeting, such vacancy shall be filled until the next shareholder meeting by the vote of the other Class A Director and in the event that both Class A Director seats become vacant, a special meeting (or written consent) of the holders of Class A Shares shall be held (or sought, as applicable) to fill such seats as promptly as practicable. In the event that any Class B Director seat becomes vacant for any reason prior to the annual shareholders meeting, such vacancy shall be filled until the next shareholder meeting by the vote of the other Class B Directors, and, in the event that all Class B Director seats become vacant, a special meeting (or written consent) of the holders of Class B Shares shall be held (or sought, as applicable) to fill such seats as promptly as practicable.
- Notwithstanding the foregoing, each holder of Class B Shares with the rights to designate a director (a “*Designating Shareholder*”) may remove its designee for any or no reason at any time and may designate a replacement director in the event of the removal, resignation, retirement, death or incapacity of its designee, and no other holders shall have rights with respect to the removal or replacement of such designees. If any Designating Stockholder loses its right to designate a director, such Designating Stockholder shall cause such designee to tender his or her resignation to the Board, or will cause such director to be removed. The resulting vacancy created on the Board shall be filled by the Class B Directors (as set forth above) until the next annual meeting of shareholders.
- The LLC Agreement will provide that, following the Warrant Exercise Date, all directors will be selected by a plurality vote of the Shares, voting as a single

class, and there will no longer be Class A Directors, Class B Directors, an Independent Director, or a CEO Director, each of which may be replaced with such directors elected by a plurality vote of the Shares. Following the Warrant Exercise Date, directors (including each Class B Director, the Independent Directors, and the CEO Director) may be removed, with or without cause, by the vote of a majority of the outstanding Shares acting by written consent or otherwise, and vacancies filled by a majority of the outstanding Shares acting by written consent or otherwise or, if not so filled, the vote of directors who were formerly Class A Directors.

- Except as otherwise provided herein, the Board will act by the affirmative vote of a majority of the directors then in office or by unanimous written consent. Except as otherwise provided herein, the presence of at least a majority of the directors then in office at a duly called meeting of the Board shall constitute a quorum; *provided*, that a duly called meeting of the Board shall require reasonable prior notice to each director; and *provided, further*, that directors may attend meetings of the Board telephonically or by means of other remote communication.
- Prior to the Warrant Exercise Date, the CEO of the Company shall be selected and/or replaced, as applicable, by the Class B Directors, subject to approval by a majority of the Board, including at least one Class A Director and the Independent Director.
- Until the Warrant Exercise Date, the following actions will require the unanimous approval of the Board (in each case, excluding the CEO Director's approval which shall not be required); *provided*, that following the Warrant Exercise Date, until such time as a new Board is elected, the consent or approval of the Class B Directors, the CEO Director, and the Independent Director shall in no event be required (but the following shall still require the approval of the Class A Directors, if any are then in office):
 - Amendment to Constitutional Documents. Any amendment, modification or waiver of the LLC Agreement or of any limited liability company agreement, charter, bylaws or comparable organizational document of the Company or any material subsidiary of the Company (including any amendment, modification, waiver or other action that reduces or increases the number of persons entitled to serve on the Board or on the board of any subsidiary (or any committee thereof or comparable governing body)), other than an amendment, modification or waiver that is ministerial or de minimis in nature (to be further defined in the LLC Agreement (as agreed by both the Required First Priority Noteholders and the Required EEUK Term Loan Lenders)); *provided*, that, any amendment, modification or waiver that would affect any class of capital stock (or a subset of any class of capital stock) in a manner materially and disproportionately adverse to any other class of capital stock shall also require the approval of a majority of the shares of such class of capital stock (or such subset) that is so materially and disproportionately adversely affected.
 - Liquidation, Dissolution or Bankruptcy. Commencement or the filing of any bankruptcy, insolvency or liquidation proceeding (including, but not limited to, any chapter 11 or chapter 7 proceeding, any scheme of arrangement, any UK administration or any other similar or analogous proceeding) for the Company or any of its material subsidiaries.

Actions Requiring Special Board Approval

- Certain Sales of the Company. Entering into any agreement or other transaction providing for a direct or indirect sale or other transfer of a majority of the equity interests in the Company or all or substantially all of the assets of the Company or any of its subsidiaries taken as whole, whether through an equity issuance, transfer of equity, merger, consolidation, amalgamation or otherwise (a “*Sale of the Company*”) that would not result in the repayment in full of all indebtedness under, including all fees, expenses and amounts due pursuant to, the EEUK Credit Agreement so long as such refinancing and repayment is completed in full at least 21 days prior to maturity of the EEUK Credit Agreement.
 - Affiliate Transactions. Entering into any agreement or other transaction between the Company or any of its subsidiaries, on the one hand, and any shareholder or any of their executive officers, directors or affiliates, on the other; provided, that (i) any transfer of assets or funds to Endeavour Energy Luxembourg S.à r.l. (“*LuxCo*”) below a materiality threshold to be agreed by both the Required First Priority Noteholders and the Required EEUK Term Loan Lenders shall also be approved by the Independent Director or at least one Class A Director; and (ii) any transfer of assets or funds to LuxCo above such threshold shall be approved by at least one Class A Director.
 - Changes in Business. Engagement in any material new line of business unrelated to the Company’s existing lines of business, including as the result of an acquisition or other transaction outside of the ordinary course of business.
 - Redemptions. Any redemption, reclassification, purchase, retirement or other acquisition, directly or indirectly, for cash, of any equity or of any debt (other than any repayment of indebtedness under, including any fees, expenses and amounts due pursuant to, the EEUK Credit Agreement).
 - Dividends and Distributions. Any dividend or other distribution on or with respect to any equity securities.
 - Tax Election. Any change in any tax election or treatment of the Company that would be adverse to any holder of Shares.
 - Settlements. Any settlement of any material litigation, claim or other similar actions that would result in payment by the Company (net of any insurance proceeds) in excess of \$5 million.
 - Certain Other Transactions. Either (i) entering into any agreement or other transaction that could cause the Company to be treated as a United States Real Property Holding Corporation or (ii) the registration of, or the entry into any transaction or permitting the occurrence of any event (including any transfer) that would result in or require the registration of any Shares or any other equity securities with the Securities Exchange Commission (“*SEC*”).
 - Contractual Commitments. The entrance into any agreement, commitment or arrangement to effect any of the foregoing.
- Additionally, until the Warrant Exercise Date, UK asset sales shall require the

approval of the holders of a majority of the Class A Shares.

Special Committee

- If the EEUK Term Loan is still outstanding 45 days prior to maturity, the Board shall create a special committee comprised solely of the Class A Directors, which special committee shall be tasked with taking all steps necessary to prepare a contingency plan in respect of the maturity of the EEUK Term Loan, including, but not limited to, preparing for commencement or the filing of any bankruptcy, insolvency or liquidation proceeding (including, but not limited to, any chapter 11 or chapter 7 proceeding, any scheme of arrangement, any UK administration or any other similar or analogous proceeding) for the Company and/or any of its subsidiaries, as deemed appropriate in the sole discretion of such special committee.

Shareholder Action

- The shareholders may act without a meeting by written consent signed by the holders of Shares having not fewer than the minimum number of votes that would be necessary to authorize or take such action at a meeting, so long as no such action is contrary to any rights granted to any shareholder herein.

Dividends/Distributions

- At the discretion of the Board (except as set forth above in “Actions Requiring Special Board Approval”).

Preemptive Rights

- Each shareholder that, together with its affiliates, holds at least 0.5%, by voting power, of the outstanding Shares will have preemptive rights to subscribe for its *pro rata* share of any equity or debt securities (including securities convertible into or rights to subscribe for or purchase equity or debt securities) issued by the Company or any of its subsidiaries. If any shareholder waives its preemptive right with respect to any such issuance, each shareholder that did exercise its preemptive right with respect to such issuance will have the right to subscribe to the non-subscribing shareholder’s percentage of such newly issued equity, debt or rights. There will be standard exemptions for (i) securities issued as consideration in a merger, acquisition, joint venture or redemption of indebtedness pursuant to the terms of such indebtedness or as approved by the Board (including (x) the Independent Director or at least one Class A Director if the percentage of the outstanding Shares to be held by the recipient following the issuance will be less than or equal to a materiality threshold to be agreed by both the Required First Priority Noteholders and the Required EEUK Term Loan Lenders, and (y) at least one Class A Director if the percentage of the outstanding Shares to be held by the recipient following the issuance will be greater than such materiality threshold), (ii) securities issued pursuant to approved compensation plans, (iii) securities issued upon conversion or exercise of the Warrants or any options or other equity awards or convertible securities, and (iv) securities issued on a *pro rata* basis in a stock split or stock dividend or similar transaction.

Transfers

- No shareholder may transfer any Shares if such transfer would cause the Company or any of its subsidiaries to be required to register any Shares under the Exchange Act (and the LLC Agreement will include notice mechanisms for transfers to ensure that the relevant number of holders is not exceeded). Each transferee will be required to enter into a joinder to the LLC Agreement as a condition to any transfer. Otherwise, Shares will be freely transferable.

Tag Along Rights

- Except with respect to transfers by shareholders to their affiliates, holders of Shares will have the right to participate *pro rata* in any direct or indirect transfer (through one or more related transactions) (a “*Tag-Along Sale*”) of 20% or more of the outstanding Shares, by voting power, by one or more other holders thereof

(a “*Selling Shareholder*”). Tag-along sellers shall make or provide the same representations, warranties, covenants (other than non-competes and restrictive covenants), indemnities and agreements the Selling Shareholders make or provide in connection with the sale (except that in the case of representations, warranties, covenants (other than non-competes and restrictive covenants), indemnities and agreements pertaining specifically to the Selling Shareholders, the Selling Shareholders shall make the comparable representations, warranties, covenants (other than non-competes and restrictive covenants, which shall not be required), indemnities and agreements pertaining specifically to them); *provided*, that, without limitation to their indemnity obligations, tag-along sellers shall only be required to make representations and warranties with respect to ownership and authorization of Shares, and shall not be required to make business-related representations or warranties. The liability of any tag-along seller shall be capped at the proceeds actually received in such sale by such tag-along seller and no tag-along seller shall be required to enter into noncompetition, non-solicitation or similar restrictive covenants and each tag-along seller’s liability shall be several and not joint and several.

Drag-Along Rights

- Holders of more than 50%, by voting power, of the Shares will have the right to cause a sale of the Company for cash or securities which are registered under the Securities Act of 1933, as amended, are freely tradable and listed for trading on a “national securities exchange” (without the consent of any other shareholders of the Company or the Board (except in such shareholder’s other capacities, whether as a lender, holder of a Warrant, or otherwise)), and all other shareholders (the “*Dragged Shareholders*”) shall be required to consent to, and raise no objection against or assert appraisal rights with respect to, such sale of the Company, and to take all actions reasonably requested in order to consummate such sale so long as the holders of Shares shall all receive the same per share consideration; *provided*, that in no event shall any shareholder be required to consent or take (or refrain from taking) any action in any other capacity, whether as a lender or otherwise, and, for the avoidance of doubt, a drag sale shall not be consummated if it would result in an event of default under the EEUK Credit Agreement that has not been duly waived pursuant thereto.
- Dragged Shareholders shall participate on the same terms and conditions as the initiating holders and shall make or provide the same representations, warranties, covenants (other than non-competes and restrictive covenants), indemnities and agreements the initiating holders make or provide in connection with the sale (except that in the case of representations, warranties, covenants (other than non-competes and restrictive covenants, which shall not be required), indemnities and agreements pertaining specifically to the initiating holders, the Dragged Shareholders shall make the comparable representations, warranties, covenants (other than non-competes and restrictive covenants), indemnities and agreements pertaining specifically to them), *provided*, that, without limitation to their indemnity obligations, Dragged Shareholders shall only be required to make representations and warranties with respect to ownership and authorization of Shares, and shall not be required to make business-related representations or warranties. The liability of any Dragged Shareholder shall be capped at the proceeds actually received in such sale by such Dragged Shareholder and no Dragged Shareholder shall be required to enter into noncompetition, non-solicitation or similar restrictive covenants and each Dragged Shareholder’s liability shall be several and not joint and several. The Company shall pay the reasonable fees and expenses of a single counsel to represent all Dragged Shareholders.

Information Rights

- The Company will make available to each holder of the Shares (i) within 90 days of the end of each fiscal year, all annual financial statements and similar information with respect to the Company and its subsidiaries that would be required to be contained in a filing with the SEC on Form 10-K if the Company were required to file such forms, including a “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and a report on the annual financial statements by the Company’s certified independent accountants, (ii) within 45 days of the end of each of the first three quarters or each fiscal year, all quarterly financial statements and similar information with respect to the Company and its subsidiaries that would be required to be contained in a filing with the SEC on Form 10-Q if the Company were required to file such forms, including a “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and (iii) all current reports that would be required to be filed with, and within the timing that would be required by, the SEC on Form 8-K if the Company were required to file such reports. The Company shall as promptly as reasonably practicable (but in any event, no later than twenty 20 business days after furnishing the annual and quarterly reports) hold a conference call to discuss the results of operations for the relevant reporting period and to answer questions posed by shareholders with regard to those results.
- The LLC Agreement will provide that, at any time that the Company is not a public filer, subject to customary confidentiality obligations, each holder of Shares may share such information concerning the Company with its directors, officers, partners, managers, members, employees, investors and advisors, as well as any bona fide prospective purchaser of Shares that agrees to keep such information confidential; *provided*, that if a shareholder is entitled to any such information pursuant to any other agreement or in any other capacity, this confidentiality obligation shall not restrict or affect such other agreement or capacity or their rights or obligation with respect thereto.

Registration Rights

- The LLC Agreement will provide for customary “piggyback” registration rights and related terms, including customary indemnification provisions related thereto.

Other Terms

- The LLC Agreement will also provide for other customary terms, including, but not limited to, the time, place and manner of calling of regular and special meetings of shareholders and the Board, the titles and duties of officers of the Company and the manner of appointment, removal and replacement thereof, and indemnification and exculpation of managers, officers and other appropriate persons (but, for the avoidance of doubt, will not include a waiver of fiduciary duties).

EXHIBIT B

EEUK Credit Agreement Amendment Term Sheet

This term sheet summarizes the principal terms of an amendment or amendment and restatement to the Credit Agreement, dated as of January 24, 2014, as amended and restated by the Amendment Agreement dated as of September 30, 2014, by and among Endeavour International Holding B.V., END Finco LLC, as borrowers, Endeavour International Corporation, as Holdings, the guarantors party thereto, Credit Suisse AG, Cayman Islands Branch, as administrative agent, and the lenders party thereto (the “Existing Credit Agreement” and as amended by the proposed amendment or amendment and restatement contemplated herein, the “Credit Agreement”) and the other Credit Documents. The transaction contemplated herein is subject to the negotiation and execution of mutually acceptable definitive documentation. This term sheet does not include a description of all the relevant terms and conditions of the transaction contemplated herein. Capitalized terms used herein but not defined herein shall have the respective meanings assigned to them in the Credit Agreement or the Settlement Agreement, as applicable.

EEUK CREDIT AGREEMENT AMENDMENT TERM SHEET

Guarantors:

The existing Guarantors (including the US Debtors (as defined in the Credit Agreement) until the dissolution thereof in connection with the Bankruptcy Cases) will remain Guarantors of the Obligations. In connection with the dissolution of the US Debtors, the Term Loan Agent will not be required to provide an express release of the US Debtors from their respective guarantees or collateral documents supporting the Obligations unless the same shall be provided by the holders of the applicable US Notes.

Collateral:

Borrowers shall maintain, at all times, \$12,000,000 in cash in a deposit account in which the Collateral Agent has a perfected first priority lien and sole dominion at all times pursuant to a control agreement in form and substance satisfactory to the Collateral Agent.

The liens on the existing Collateral will remain in place securing the Obligations (subject in the case of the US Debtors to the dissolution thereof in connection with the Bankruptcy Cases).

Mandatory Prepayment:

The proceeds or consideration (i) from any Colorado Sale Transaction or with respect to any Colorado Assets and (ii) any Remaining U.S. Sale Transaction or with respect to any Remaining U.S. Assets that, in each case, are required to be applied to prepay the Loans pursuant to the terms of the Settlement Agreement and the Asset Purchase Agreement shall be so applied in the manner required thereunder.

Financial Covenants:

Testing levels for the Consolidated Leverage Ratio financial covenant will be reset at a 25% cushion to the forecasted levels in the pro forma business plan approved by a majority of the members of the Board of Directors of NewCo, which majority shall include the independent members and at least one member of the Board of Directors selected by the Lenders (the “Approved Business Plan”).

The minimum asset coverage ratio covenant will be removed.

A covenant will be added limiting the capital expenditures by NewCo and its Subsidiaries to levels set at a 10% cushion to the forecasted levels in the

Approved Business Plan.

Intercompany Limitation:

The Credit Agreement shall be amended to provide that NewCo, EIH and their respective subsidiaries shall not make or cause to be made to the US Debtors, and the US Debtors shall not accept, any distributions, dispositions or other transfers of cash, assets or property from NewCo, EIH and their respective subsidiaries except on account of (i) any cash payments EEUK may owe to the US Debtors under (A) that certain Services Agreement, dated as of January 1, 2014, by and between EIC and EEUK or (B) under that certain Services Agreement, dated as of January 1, 2014, by and between EOC and EEUK; (ii) reimbursements for the payment of insurance premiums and other insurance-related costs EEUK may owe to the US Debtors; (iii) any amounts necessary to fund the Wind Down Expenses to the extent required pursuant to the Settlement Agreement and the Asset Purchase Agreement or (iv) amounts reasonably necessary in order to effectuate the dissolution of EELux.

Further, the Credit Agreement shall be amended to provide that EIH and its subsidiaries shall not make or cause to be made to NewCo, and NewCo shall not accept, any distributions, dispositions or other transfers of cash, assets or property from EIH and its subsidiaries (including, for the avoidance of doubt, any repayment under the Inter-company Loan Agreement), subject to limited exceptions to be agreed by the First Priority Noteholders and the Required Lenders in the definitive documentation for the amendment.

Restructuring Transactions:

The applicable covenants and events of default in the Loan Documents will be amended to permit (i) the Colorado Sale Transaction and the Remaining U.S. Sale Transaction pursuant to the Sale Transaction, (ii) the dissolution of the US Debtors upon or after the dismissal of the Bankruptcy Cases, (iii) the consummation of the credit bid, NewCo's ownership of EIH and the other transactions, in each case, contemplated by the Asset Purchase Agreement, (iv) the cancellation of the US Notes, (v) the conversion of the loans under the Inter-Company Loan Agreement into notes, which shall have substantially the same terms as the Inter-Company Agreement and remain subordinated pursuant to the Subordination Agreement, (vi) actions with respect to Luxco, including with respect to the revolving loan facility agreement dated January 23, 2008 between EIH and EELux (the "EIH Intercompany Loan") (which, in any event, shall remain subordinated pursuant to the Subordination Agreement), to be agreed, (vii) the transactions contemplated by the Settlement Agreement and (ix) in the case of the each of the foregoing, such other actions as are incidental thereto. For the avoidance of doubt, upon dismissal of the Bankruptcy Cases, the Restructuring Event (as defined in the Credit Agreement) shall no longer be continuing for purposes of the Credit Agreement.

Asset Sale:

The Asset Sale covenant will be amended to permit only (a) the disposition of Purchased Assets (as defined in the Asset Purchase Agreement) contemplated in the Asset Purchase Agreement, (b) the Colorado Sale Transactions and the Remaining U.S. Sale Transactions pursuant to the Sale Transaction; (c) subject to the Intercompany Limitation, disposition among the Credit Parties, and (d) the disposition of any property or assets

of EEUK and its Subsidiaries, with the prior written consent of the Required Lenders (other than asset sales in the ordinary course of business as set forth in the Existing Credit Agreement).

- NewCo: The Credit Agreement shall be amended to add a customary passive holding company covenant with respect to NewCo.
- Subordination Agreement: The Subordination Agreement shall be amended in a manner to be agreed by the First Priority Noteholders and the Required Lenders. NewCo shall become a subordinated lender party to the Subordination Agreement, as amended.
- Events of Default: The cross default provision will be amended to waive any event of default, after the dismissal of the Bankruptcy Cases, as a result of the cross defaults with respect to (i) the First Priority Notes, the Second Priority Notes, the 5.5% Convertible Notes and 6.5% Convertible Notes and (ii) the 7.5% Convertible Bonds and the EIH Intercompany Loan, in each case of (i) and (ii), unless any holder or lender of such indebtedness or any party in interest commences or seeks remedies against NewCo, EIH, EEUK or any of their respective Subsidiaries, to the extent such action would result in certain adverse events (such events to be agreed by the First Priority Noteholders and the Required Lenders in the definitive documentation for the amendment).
- Voting: In connection with any consent to any amendment, waiver, modification or other action with respect to any Credit Document, any Lender that is, at any time, a holder of the Class B Shares (as defined in the Equity Term Sheet to the Settlement Agreement) of NewCo or any class of Equity Interests of NewCo into which such Class B Shares are converted, or an affiliate of such holder (a "Shareholder Lender") shall be deemed to have voted their interest in the same manner as Lenders holding more than 50% of the outstanding Loans (excluding the Loans held by all Shareholder Lenders) have voted with respect to such amendment, waiver, modification or other action except with respect to (i) any amendments, waivers or modifications that disproportionately affect the Shareholder Lenders and (ii) other amendments, waivers or modifications that the First Priority Noteholders and the Required Lenders may agree in the definitive documentation (it being understood and agreed that the Required Lenders shall not be required to agree to additional exceptions under this clause (ii)).
- Equity: Lenders shall receive Class A Shares and Warrants, each as defined and contemplated on the Equity Term Sheet to the Settlement Agreement.
- Amendment Fee: Each consenting lender, for its own account, shall receive an amendment fee equal to 2.0% of the aggregate principal amount of the Loans of such Lender, in which 0.5% is payable in cash and 1.5% is payable in kind.

Attachment 3

Amendment to the EOC-EEUK Services Agreement

AMENDMENT NO. 1
TO
SERVICES AGREEMENT¹

This Amendment No. 1 (this "Amendment") to that certain Services Agreement (the "Services Agreement"), dated as of January 1, 2014, by and between Endeavour Operating Corporation, a Delaware corporation ("EOC"), and Endeavour Energy UK Limited, an England and Wales corporation ("EEUK"), is entered into on this [__] day of [____], 2015.

WHEREAS, pursuant to the Services Agreement, EOC provides certain services to EEUK (the "Services");

WHEREAS, EEUK is an indirect, wholly-owned subsidiary of Endeavour International Holding B.V., an entity formed under the laws of the Netherlands ("EIH"), and EIH is a wholly-owned subsidiary of EOC;

WHEREAS, EOC is a party to that certain Asset Purchase Agreement (the "APA"), dated as of [___], 2015, by and between EOC and Wells Fargo Bank, National Association (as trustee and collateral agent on behalf of the Noteholders (as defined in the APA)), pursuant to which, among other things, effective on the date hereof, EOC sold to Purchaser (as defined in the APA), and Purchaser acquired from EOC, all of the equity securities of EIH; and

WHEREAS, EOC agreed to, and agreed to cause EEUK to, concurrently with the closing of the transactions contemplated by the APA, enter into this Amendment to provide for the terms of the provision of the Services following the closing of the APA.

Now, therefore, effective as of the date hereof:

1. Amendment.
 - a. *Article 2.* Article 2 of the Services Agreement is hereby amended by deleting such Article in its entirety and replacing it with the following:

“This Agreement shall remain in effect until terminated as provided herein. This Agreement may be terminated unilaterally by either EEUK or EOC following sixty (60)² days’ written notice from either such party to the other party of such first party’s intent to terminate and (b) as provided in Section 5.1. Notwithstanding anything herein to the contrary, this Agreement shall terminate automatically upon the filing by EOC of a Certificate of Dissolution of EOC with the Secretary of State of the State of Delaware.”

¹ NTD: The terms of the Amendments to the Services Agreements are subject to continuing review.

² NTD: Unless the parties agree to a different number of days.

2. Effect of Amendment. This Amendment shall modify and amend the Services Agreement to the extent, and only to the extent, expressly set forth herein; it being the intent of the parties that all of the terms and provisions of the Services Agreement that are not modified or replaced hereunder shall be unaltered and shall remain in full force and effect.

3. Governing Law. This Amendment and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this letter agreement shall be governed by and construed in accordance with the law of the State of Texas, without regard to the conflicts of law rules of such state.

4. Counterparts. This Amendment may be executed in counterparts (each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement) and shall become effective when signed by each of the parties and delivered to the other parties (including by facsimile or other electronic image scan transmission).

[Signature Page Follows]

IN WITNESS WHEREOF, each of the undersigned has executed this Amendment as of the date hereof.

ENDEAVOUR OPERATING CORPORATION

By: _____
Name:
Title:

ENDEAVOUR ENERGY U.K. LIMITED

By: _____
Name:
Title:

Attachment 4

Amendment to the EIC-EEUK Services Agreement

AMENDMENT NO. 1
TO
SERVICES AGREEMENT³

This Amendment No. 1 (this "Amendment") to that certain Services Agreement (the "Services Agreement"), dated as of January 1, 2014, by and between Endeavour International Corporation, a Nevada corporation ("EIC"), and Endeavour Energy UK Limited, an England and Wales corporation ("EEUK"), is entered into on this [__] day of [____], 2015.

WHEREAS, pursuant to the Services Agreement, EIC provides certain services to EEUK (the "Services");

WHEREAS, (i) EEUK is an indirect, wholly-owned subsidiary of Endeavour International Holding B.V., an entity formed under the laws of the Netherlands ("EIH"), (ii) EIH is a wholly-owned subsidiary of Endeavour Operating Corporation, a Delaware corporation ("EOC"), and (iii) EOC is a wholly-owned subsidiary of EIC;

WHEREAS, EOC is a party to that certain Asset Purchase Agreement (the "APA"), dated as of [____], 2015, by and between EOC and Wells Fargo Bank, National Association (as trustee and collateral agent on behalf of the Noteholders (as defined in the APA)), pursuant to which, among other things, effective on the date hereof, EOC sold to Purchaser (as defined in the APA), and Purchaser acquired from EOC, all of the equity securities of EIH; and

WHEREAS, EOC agreed to cause EIC and EEUK to, concurrently with the closing of the transactions contemplated by the APA, enter into this Amendment to provide for the terms of the provision of the Services following the closing of the APA.

Now, therefore, effective as of the date hereof:

1. Amendment.

- a. *Article 2.* Article 2 of the Services Agreement is hereby amended by deleting such Article in its entirety and replacing it with the following:

"This Agreement shall remain in effect until terminated as provided herein. This Agreement may be terminated unilaterally by either EEUK or EIC following sixty (60)⁴ days' written notice from either such party to the other party of such first party's intent to terminate and (b) as provided in Section 5.1. Notwithstanding anything herein to the contrary, this Agreement shall terminate automatically upon the filing by EIC of a Certificate of Dissolution of EIC with the Secretary of State of the State of Nevada."

³ NTD: The terms of the Amendments to the Services Agreements are subject to continuing review.

⁴ NTD: Unless the parties agree to a different number of days.

2. Effect of Amendment. This Amendment shall modify and amend the Services Agreement to the extent, and only to the extent, expressly set forth herein; it being the intent of the parties that all of the terms and provisions of the Services Agreement that are not modified or replaced hereunder shall be unaltered and shall remain in full force and effect.

3. Governing Law. This Amendment and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this letter agreement shall be governed by and construed in accordance with the law of the State of Texas, without regard to the conflicts of law rules of such state.

4. Counterparts. This Amendment may be executed in counterparts (each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement) and shall become effective when signed by each of the parties and delivered to the other parties (including by facsimile or other electronic image scan transmission).

[Signature Page Follows]

IN WITNESS WHEREOF, each of the undersigned has executed this Amendment as of the date hereof.

**ENDEAVOUR INTERNATIONAL
CORPORATION**

By: _____
Name:
Title:

ENDEAVOUR ENERGY U.K. LIMITED

By: _____
Name:
Title:

Exhibit B

Modification Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

	x	
	:	
<i>In re:</i>	:	Chapter 11
	:	
ENDEAVOUR OPERATING CORPORATION, et al.,¹	:	Case No. 14-12308 (KJC)
	:	
Debtors.	:	(Jointly Administered)
	:	
	x	Re: D.I. ____

**ORDER PURSUANT TO SECTION 105(a) OF
THE BANKRUPTCY CODE AND BANKRUPTCY RULE 9024
APPROVING MODIFICATION OF THE ADEQUATE PROTECTION ORDER**

Upon the Motion, dated August 3, 2015 (the “*Motion*”),² of Endeavour Operating Corporation and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the “*Debtors*”), for, among other things, an order pursuant to section 105(a) of title 11 of the United States Code (the “*Bankruptcy Code*”) and Rule 9024 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”) modifying the Adequate Protection Order, all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been given to (i) the Office of the United States Trustee for the District of Delaware; (ii) the Debtors, c/o Endeavour Operating Corporation, 811

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor’s taxpayer identification number are as follows: Endeavour Operating Corporation (6552); Endeavour International Corporation (8389); Endeavour Colorado Corporation (0067); END Management Company (7578); Endeavour Energy New Ventures Inc. (7563); Endeavour Energy Luxembourg S.à r.l. (2113). The Debtors’ principal offices are located at 811 Main Street, Suite 2100, Houston, Texas 77002.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

Main Street, Suite 2100, Houston, TX 77002 (Attn: Catherine Stubbs and David Baggett); (iii) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153 (Attn: Gary T. Holtzer, Esq. and Stephen A. Youngman, Esq.), and Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801 (Attn: Mark D. Collins, Esq. and Zachary I. Shapiro, Esq.); (iv) counsel to the Ad Hoc Group, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael Stamer, Esq. and Meredith Lahaie, Esq.); (v) counsel to the Committee, Thompson & Knight LLP, One Arts Plaza, 1722 Routh Street, Suite 1300, Dallas, TX 75201 (Attn: David M. Bennett, Esq. and Cassandra Sepanik Shoemaker, Esq.) and Bayard, P.A., 222 Delaware Avenue, Suite 900, Wilmington, DE 19801 (Attn: Neil B. Glassman, Esq., Scott D. Cousins, Esq., and Evan T. Miller, Esq.); (vi) counsel to the Ad Hoc Group of Prepetition Priority Noteholders, Milbank, Tweed, Hadley & McCloy LLP, 28 Liberty Street, New York, NY 10005 (Attn: Dennis F. Dunne, Esq. and Michael E. Comerford, Esq.); (vii) counsel to certain of the holders of the 5.5% Convertible Senior Notes due 2016 and the 6.5% Convertible Senior Notes due 2016, Brown Rudnick LLP, Seven Times Square, New York, NY 10036 (Attn: Robert J. Stark, Esq.); (viii) counsel to the holder of the 7.5% Guaranteed Convertible Bonds due 2016, Ropes & Gray LLP, 1211 Avenue of the Americas, New York, NY 10036 (Attn: Keith H. Wofford, Esq.); (ix) any Governmental Body (as defined in the Credit Bid APA) known to have a claim in the bankruptcy cases; (x) National Association of Attorneys General, 2030 M Street NW, 8th Floor, Washington, DC 20036 (Attn: Karen Cordry, Esq.); (xi) the Office of the Attorney General in each state in which the Debtors operate; (xii) the Office of the Delaware Secretary of State; (xiii) the Delaware State Treasury; (xiv) the Securities and Exchange Commission; (xv) the Internal Revenue Service; (xvi) all parties who have requested

notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002; (xvii) all of the Debtors' known creditors; and (xviii) all other persons as directed by the Court (for whom identifying information and addresses are available to the Debtors) (the "*Notice Parties*"); and it appearing that no other or further notice need be provided; and, if necessary, a hearing having been held to consider the relief requested in the Motion (the "*Hearing*"); and due and proper notice of the Hearing having been provided; and the appearances of all interested parties having been noted in the record of the Hearing; and upon the record of the Hearing, if any, and all of the proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates and creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that:

1. The Motion is granted to the extent set forth herein.
2. The Adequate Protection Liens established under section 2 of the *Stipulated Order Granting (I) Adequate Protection to the Prepetition Noteholders and (II) Related Relief Pursuant to Sections 105(a), 361, 362, 363(e), and 507(b) of the Bankruptcy Code* (D.I. 166) (the "*Adequate Protection Order*") are hereby modified such that any proceeds from the Sale payable to the First Priority Notes Collateral Agent shall be directed into the Wind Down Account and this paragraph 2 survives except as provided in Section 5.3 of the Credit Bid APA.
3. The Carve-Out established under section 8 of the Adequate Protection Order is hereby modified to allow the payment of, and the Debtors are hereby authorized to pay, all the Debtors' administrative expenses arising in the ordinary course of business before paying any

allowed super-priority administrative expense claim granted to the First Priority Notes Collateral Agent pursuant to section 2(d) of the Adequate Protection Order.

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

5. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

Dated: _____, 2015
Wilmington, Delaware

THE HONORABLE KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE