

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

)	
In re:)	Chapter 11
)	
COBALT INTERNATIONAL ENERGY, INC., <i>et al.</i> , ¹)	Case No. 17-36709 (MI)
)	
Debtors.)	Jointly Administered
)	

**AFFIDAVIT OF PUBLICATION OF THE NOTICE OF AUCTION FOR THE SALE OF
THE DEBTORS' ASSETS IN THE NEW YORK TIMES**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Cobalt International Energy, Inc. (1169); Cobalt International Energy GP, LLC (7374); Cobalt International Energy, LP (2411); Cobalt GOM LLC (7188); Cobalt GOM # 1 LLC (7262); and Cobalt GOM # 2 LLC (7316). The Debtors' service address is: 920 Memorial City Way, Suite 100, Houston, Texas 77024.





PROOF OF PUBLICATION

January 30 2018

I, Cathy Zike, in my capacity as a Principal Clerk of the Publisher of **The New York Times** a daily newspaper of general circulation printed and published in the City, County and State of New York, hereby certify that the advertisement annexed hereto was published in the editions of **The New York Times** on the following date or dates, to wit on

JAN 30 2018

B2 National

Cathy Zike

Sworn before me the

30th day of Jan, 2018
Michelle M. Scibilia

Notary Public

MICHELLE M. SCIBILIA
Notary Public, State of New York
Registration #01SC6281145
Qualified In Nassau County
Commission Expires May 13, 2021

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

In re: COBALT INTERNATIONAL ENERGY, INC., et al.,¹ Chapter 11 Case No. 17-36709 (MI) Debtors. (Jointly Administered)

NOTICE OF AUCTION FOR THE SALE OF THE DEBTORS' ASSETS

PLEASE TAKE NOTICE that on January 25, 2018, the United States Bankruptcy Court for the Southern District of Texas (the "Court") entered the Order (i) Approving Bidding Procedures for the Sale of the Debtors' Assets, (ii) Scheduling an Auction, (iii) Approving the Form and Manner of Notice Thereof, (iv) Scheduling Hearings and Objection Deadlines with Respect to the Debtors' Disclosure Statement and Plan Confirmations, and (v) Granting Related Relief (Docket No. 299) (the "Bidding Procedures Order"); authorizing the above-captioned debtors and debtors in possession (collectively, the "Debtors") to conduct an auction (the "Auction") to select the party to purchase the Debtors' assets. The Auction will be governed by the bidding procedures approved pursuant to the Bidding Procedures Order (attached to the Bidding Procedures Order as Schedule L, the "Bidding Procedures").

Copies of the Bidding Procedures Order, the Bidding Procedures, or other documents related thereto are available upon request to Kurtzman Carson Consultants LLC by calling 866-967-1782 (United States and Canada) and 310-751-2682 (International) or visiting the Debtors' restructuring website at <http://www.kcccllc.net/cobalt>.

PLEASE TAKE FURTHER NOTICE that the Bid Deadline is **February 22, 2018, at 5:00 p.m.** (prevailing Central Time), and that any person or entity who wishes to participate in the Auction must comply with the participation requirements, bid requirements, and other requirements set forth in the Bidding Procedures.

PLEASE TAKE FURTHER NOTICE that the Debtors intend to conduct the Auction, at which they will consider proposals submitted to the Debtors and their professionals, by and pursuant to the Bidding Procedures as set forth in the Bidding Procedures Order, on **March 6, 2018, at 10:00 a.m.** (prevailing Central Time) at the offices of Kirkland & Ellis LLP, 609 Main Street, Texas 77002.

PLEASE TAKE FURTHER NOTICE that the Debtors reserve the right to modify the Bidding Procedures, in their reasonable business judgment, in consultation with the Committee, the first lien indenture trustee, the first lien ad hoc group, and the second lien ad hoc group in accordance with the Bidding Procedures.

Houston, Texas, Dated: January 25, 2018

/s/ Zack A. Clement - Zack A. Clement (Texas Bar No. 04361550), ZACK A. CLEMENT PLLC, 3753 Drummond Street, Houston, Texas 77025. Telephone: (832) 274-7629 - and - James H.M. Sprayregen, P.C. (admitted pro hac vice), Marc Kieselstein, P.C. (admitted pro hac vice), Chad J. Husnick, P.C. (admitted pro hac vice), Brad Welland (admitted pro hac vice), W. Benjamin Winger (admitted pro hac vice), Laura Krucks (admitted pro hac vice), KIRKLAND & ELLIS LLP, KIRKLAND & ELLIS INTERNATIONAL LLP, 300 North LaSalle Street, Chicago, Illinois 60654. Telephone: (312) 862-2000, Facsimile: (312) 862-2200, Co-Counsel to the Debtors and Debtors in Possession.

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² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures Order or the Bidding Procedures, as applicable.

Tronc Tries to Turn Page on Turmoil With the Installation of Two New Editors

From First Business Page

Daily News in 2016 shocked staff members, will take over for Arthur Browne, who retired at the end of December.

In a statement announcing the changes, Justin C. Dearborn, the chief executive of Tronc, said, "We are continuing to invest in high quality journalism, which will always be the company's top priority." He called Mr. Kirk a "talented news veteran" and Mr. Rich "a well-established media professional."

Tronc, which publishes newspapers including The Chicago Tribune and The Baltimore Sun, is trying to leave behind a bruising period marked by rising turmoil in the newsrooms of The Daily News and The Times.

The Daily News, which Tronc acquired in September from the real estate and media mogul Mortimer B. Zuckerman, recently suspended its managing editor, Rob Moore, and its Sunday editor, Alexander Jones, because of sexual harassment allegations made against them by current and former employees.

At The Times, Ross Levinsohn, who was named publisher in August, was put on leave after National Public Radio published an article that detailed sexual harassment allegations made against him while he worked at other companies. On the same day, the newsroom announced that it had voted to unionize by an overwhelming margin — a move that followed years of discontent.

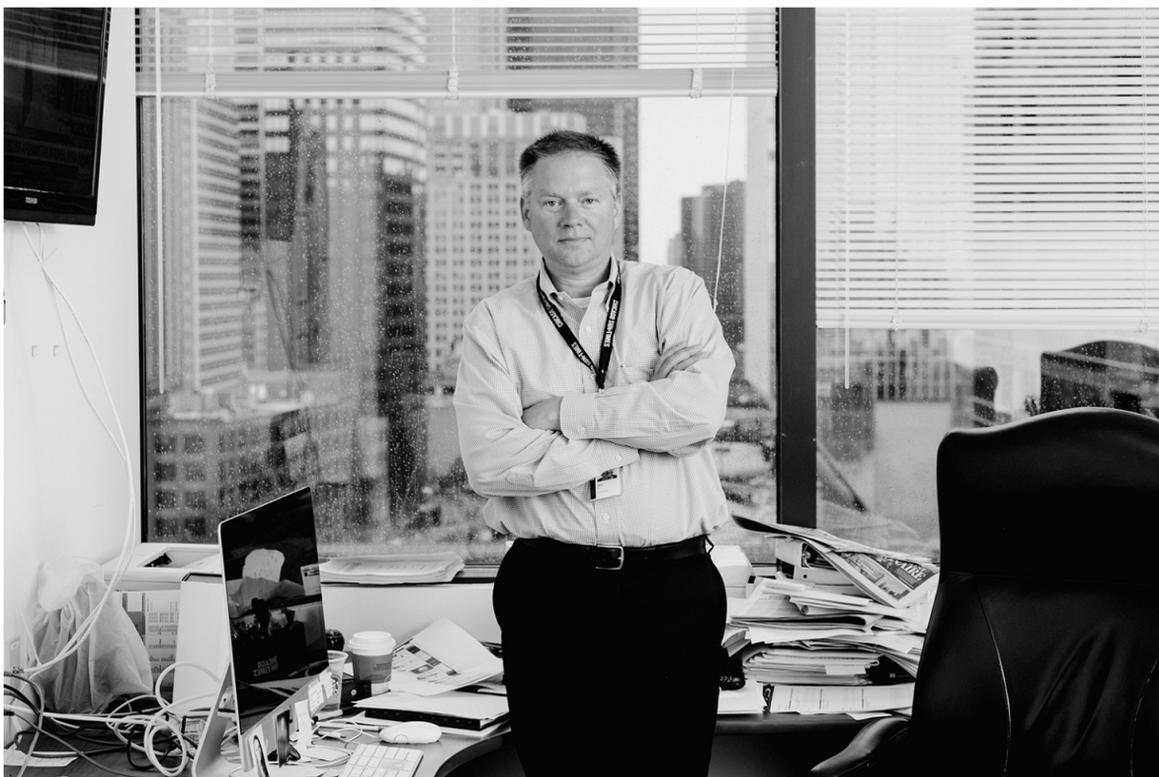
Tronc vetted Mr. Levinsohn, a former Yahoo executive, before he was hired as The Times's publisher, but company executives were not aware that he had twice been a defendant in sexual harassment lawsuits while employed by other companies, according to two people briefed on the matter.

A companywide reorganization plan is said to be in flux.

who were not permitted to speak publicly about it.

The fallout from the N.P.R. report on the allegations against Mr. Levinsohn, which was published Jan. 18, reached beyond Tronc on Monday, when Tribune Media disclosed in a regulatory filing that Mr. Levinsohn had notified the company last week that he was taking leave from its corporate board. (Tribune Media and Tronc, formerly called Tribune Publishing, had been one corporation, Tribune Company, before a spinoff of the newspaper business in 2014.)

Mr. Kirk joined Tronc in August and became a jack-of-all-trades for the company, serving as the interim executive editor of The Times and the interim editor in chief of The Daily News. His new appointment was largely met with a sense of relief within the Times newsroom but also a recognition that his appointment will not undo years of frustration among em-



LYNDON FRENCH FOR THE NEW YORK TIMES

Jim Kirk at The Chicago Sun-Times. Mr. Kirk, who joined Tronc in August, will take over as The Los Angeles Times's editor in chief.

ployees or rid the paper of its underlying financial challenges.

The man he replaced, Mr. D'Vorkin, faced suspicion in the newsroom almost from his arrival, partly because of his previous role at Forbes, where he broadened the company's native advertising offerings and introduced a product that allowed advertisers to contribute material alongside Forbes articles. Newsroom skeptics feared that he would focus more on clicks and advertising innovations than quality journalism.

Tronc executives decided to move Mr. D'Vorkin, 65, out of the top newsroom job at a time when they were also revisiting a companywide reorganization plan, according to two company officials briefed on the discussions. The proposal seemed intended to cut costs and increase the emphasis on making Tronc's journalism better suited to digital media. Mr. Levinsohn, the publisher now on leave, was a main architect of the restructuring plan. But the plan is now in flux, according to the two people.

Mr. Levinsohn's leave came at the end of an aggressive attempt by Times management to thwart the newsroom's ultimately successful union drive — a campaign that occurred as the paper's editors and reporters were distinguishing themselves with aggressive coverage of sexual harassment in Hollywood and natural disasters in California.

Tensions between the paper's employees and its management team had been rising since a dispute between The Times and the Walt Disney Company. After Disney banned Times journalists from attending advance film screenings following the publication of an investigative series on



SASHA MASLOV FOR THE NEW YORK TIMES

Jim Rich was the editor in chief of The Daily News for 13 months before leaving in 2016. While there, he revitalized the paper with attention-grabbing front pages. He will return in the same role.

the company's ties to the city of Anaheim, some people in the newsroom questioned how Mr. D'Vorkin had handled the paper's response.

During a staff meeting, after learning that a recording of an earlier meeting had been leaked to a New York Times reporter, Mr. D'Vorkin said that anyone involved with the act was "morally bankrupt," according to several people in attendance. His admonition further escalated the divide between employees and management.

Several journalists at The Times said they worried that the company, eager to stanch the

steady stream of reports other news organizations were publishing about it, had begun monitoring their phones and computers in pursuit of leaks. Two journalists said they had been warned that the company was monitoring employees' emails.

In a statement, Tronc said that it was committed to respecting employees' privacy. "There's never to our knowledge been a situation where the company is monitoring people's emails," the company said.

The tensions intensified last week, when the business editor, Kimi Yoshino, was abruptly suspended without a public explanation.

In a note to Mr. D'Vorkin that was widely circulated on social media, Times employees wrote that Ms. Yoshino was "asked to take a leave of absence and not even permitted to return to her office to collect her belongings and turn off her laptop."

"We are deeply troubled by the way this situation is being handled," they wrote.

Times journalists also said they were concerned by what they had learned of the reorganization plan — which seemed to be the subject of a presentation given by Mr. Levinsohn to investors earlier this month that described a "Los Angeles Times Network."

Under the proposal, newly hired editors would supervise reporting that could be fed to all Tronc publications, according to several people briefed on the potential restructuring.

That system, two of these people said, would include the creation of sites that would generate their own revenue. It would rely on Tronc employees and outside contributors who are not part of any existing Tronc newsroom.

In recent weeks, newsroom employees were puzzled to discover the names of several apparently newly hired editors in an internal human resources database, an image of which was shared with The New York Times. Among them were Bruce Uppin, formerly of Forbes, who was listed as an assistant managing editor; Sylvester Monroe, formerly an editor at The Washington Post, who was also listed as an assistant managing editor; and Louise Story, a former New York Times reporter and editor who was listed as a managing editor.

Ms. Story has since decided not to join Tronc, writing in an emailed statement, "I had agreed to work at Tronc and at The Los Angeles Times in very high-level managerial roles. But, as a result of recent significant changes in those roles, I decided not to work there in any capacity."

In the internal database, the new hires were shown under Rob Angel, the chief of business development at The Times, but are now expected to report to Mr. D'Vorkin, according to a person at Tronc familiar with the personnel decision.

Since Mr. Levinsohn went on leave, Tronc and Times executives met in Chicago to discuss which parts of the restructuring plan could continue, according to the people familiar with the discussions.

The recent unrest has its roots in the frustration that Times employees had with previous leaders. Last year, some grew critical of several top managers — including Davan Maharaj, the editor and publisher — in part over the handling of an investigation into the former dean of the medical school at the University of Southern California. Tronc removed Mr. Maharaj and several other newsroom leaders in August, saying that The Times had failed to transform fast enough on the digital side.

Many employees expressed optimism that the D'Vorkin-Levinsohn team would foster the kind of journalism that has garnered the paper more than 40 Pulitzer Prizes. Now they are looking toward a new leader.

The Los Angeles Times Guild congratulated Mr. Kirk in a statement. "We also look forward to working together in the future as one team — and we look forward to hearing his plans for the paper."

Mr. Kirk said that his goal as the top editor at The Times was to "double down our great coverage of California and Los Angeles and beyond."

"That's what readers expect from us, and we want to continue that," he added.

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STOCKS & BONDS

Market Slides Backward as Investors Take a Breather

By The Associated Press

A broad sell-off Monday handed the stock market its biggest loss in more than four months, pulling the major indexes below their recent highs.

Technology stocks, the biggest gainers in 2017, accounted for much of the slide. Energy companies also fell as crude oil prices finished lower. Utilities and other rate-sensitive sectors declined as bond yields hit their highest level in almost four years.

Investors weighed the latest company earnings and deal news, including Keurig's acquisition of Dr. Pepper Snapple for \$16.6 billion, including debt, and looked ahead to a busy week of corporate news and economic data.

The pullback followed a big rally on Friday, which was the market's biggest single-day gain since March 2017.

"It may just be we've had a really good run and people are taking profit off the table right now," said Randy Frederick, vice president for trading and derivatives at Charles Schwab.

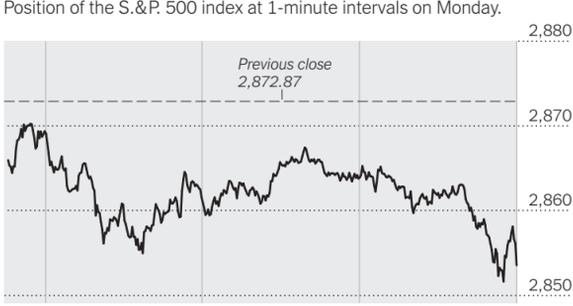
The Standard & Poor's 500-stock index fell 19.34 points, or 0.7 percent, to 2,853.53. The Dow Jones industrial average slid 177.23 points, or 0.7 percent, to 26,439.48. The Nasdaq composite lost 39.27 points, or 0.5 percent, to 7,466.51. The Russell 2000 index of smaller-company stocks gave up 9.95 points, or 0.6 percent, to 1,598.11.

Falling stocks outnumbered rising ones almost five-to-one on the New York Exchange.

Bond prices fell. The yield on the 10-year Treasury note rose to 2.70 percent, the highest level in almost four years, from 2.66 per-

The S.&P. 500 Index

Position of the S.&P. 500 index at 1-minute intervals on Monday.



Source: Reuters

THE NEW YORK TIMES

cent late Friday.

The prospect for stronger economic growth, both at home and abroad, has helped drive bond yields higher. As bond yields rise it puts pressure on yield-sensitive sectors: Real estate investment trusts, telecoms and utilities. Those three sectors finished more than 1 percent lower Monday and

Oil fell by 1 percent; bond yields reached a four-year high.

are in the red for the year.

Investors face a busy week of potential market-moving corporate news and economic data the rest of this week. Several big-name companies are set to report quarterly results on Wednesday and Thursday, including Apple,

Amazon, Microsoft, Facebook and Google's parent company Alphabet.

"Combined, that's 14.3 percent of the entire S.&P. 500 index in five companies — \$3.6 trillion in market cap — so this is a very important week," said Mike Baele, senior portfolio manager at U.S. Bank Private Wealth Management.

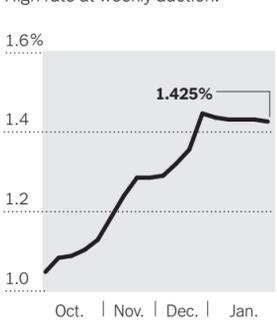
About a quarter of the companies in the S.&P. 500 have reported results so far this earnings season, and some 65 percent of those have delivered results that exceeded financial analysts' expectations, according to S&P Global Market Intelligence.

On Monday, the defense contractor Lockheed Martin added 1.9 percent after it reported better-than-expected quarterly results. The stock rose \$6.52 to \$351.42.

Apple fell 2.1 percent amid growing investor worries that the iPhone X has not been a hit with customers. Shares in the technology giant have been declining for several days, erasing billions of

3-Month Treasury Bills

High rate at weekly auction.



Source: The Bond Buyer

THE NEW YORK TIMES

including Dr. Pepper, 7UP, Snapple, A&W, Mott's, Sunkist and Keurig's single-serve coffee makers. Dr. Pepper Snapple added \$21.42 to \$117.07.

KapStone Paper and Packaging soared 30.8 percent after it agreed to be bought by rival WestRock for \$35 a share, or \$3.39 billion. KapStone shares gained \$8.17 to \$34.71. WestRock slid \$1.86, or 2.6 percent, to \$68.41.

Benchmark U.S. crude fell 58 cents, or about 1 percent, to settle at \$65.56 a barrel on the New York Mercantile Exchange. Brent crude, used to price international oils, dropped \$1.06, or 1.5 percent, to close at \$69.46 per barrel.

Gold, which hit an 18-month high last week, fell \$11.80 to \$1,340.30 an ounce. Silver dropped 31 cents, or 1.8 percent, to \$17.13 an ounce. Copper slipped 1 cent to \$3.19 a pound.

The dollar, which fell sharply last week, rose to 108.94 yen from 108.66 late Friday. The euro fell to \$1.2389 from \$1.2423.

The price of bitcoin fell 4.2 percent Monday to \$11,207, according to the tracking site CoinDesk. Bitcoin futures on the Cboe Futures Exchange rose 2.1 percent to \$11,710.

In other futures trading, wholesale gasoline was little changed at \$1.9 a gallon. Heating oil slid 3 cents to \$2.11 a gallon. Natural gas rose 13 cents, or 3.6 percent, to \$3.63 per 1,000 cubic feet.

Germany's DAX and France's CAC 40 fell 0.1 percent Monday. Britain's FTSE 100 added 0.1 percent. Japan's benchmark Nikkei 225 finished flat, while Hong Kong's Hang Seng index lost 0.6 percent. South Korea's Kospi gained 0.9 percent.

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