

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

SWIFT ENERGY COMPANY, *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 15-12670 (MFW)

(Jointly Administered)

Objection Deadline: February 3, 2016 (extended with consent)

Hearing: February 5, 2016, at 9:30 a.m. (ET)

Re: D.I. 16, 78

**RESERVATION OF RIGHTS OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF SWIFT ENERGY COMPANY, *ET AL.*, TO DEBTORS' MOTION FOR AN ORDER (I) APPROVING DISCLOSURE STATEMENT, (II) ESTABLISHING PROCEDURES FOR SOLICITATION AND TABULATION OF VOTES ON PLAN, (III) SCHEDULING A HEARING ON CONFIRMATION OF THE PLAN, AND (IV) APPROVING CERTAIN OPT-OUT PROCEDURES FOR EQUITY HOLDERS**

The Official Committee of Unsecured Creditors (the "Committee") of Swift Energy Company ("Swift") and its affiliated debtors and debtors in possession (collectively, the "Debtors"), by and through its undersigned proposed counsel, hereby submits this reservation of rights (the "Reservation of Rights") with respect to the *Debtors' Motion for an Order (I) Approving Disclosure Statement, (II) Establishing Procedures for Solicitation and Tabulation of Votes on Plan, (III) Scheduling a Hearing on Confirmation of the Plan, and (IV) Approving*

<sup>1</sup> The Debtors are the following nine entities (the last four digits of their respective taxpayer identification numbers follow in parenthesis): Swift Energy Company (0661); Swift Energy International, Inc. (6721); Swift Energy Group, Inc. (8150); Swift Energy USA, Inc. (8212); Swift Energy Alaska, Inc. (6493); Swift Energy Operating, LLC (2961); GASRS LLC (4381); SWENCO-Western, LLC (01449); and Swift Energy Exploration Services, Inc. (2199). The address of each of the Debtors is 17001 Northchase Drive, Suite 100, Houston, Texas 77060.



*Certain Opt-Out Procedures for Equity Holders* [D.I. 78] (the “Disclosure Statement Motion”).<sup>2</sup>

In support of this Reservation of Rights, the Committee respectfully represents as follows:

### **RESERVATION OF RIGHTS**

1. The fundamental purpose of a disclosure statement is to ensure that creditors are able to cast their votes for or against a confirmable chapter 11 plan on an informed basis. To achieve this objective, a disclosure statement must contain “adequate information,” *i.e.*, information that would permit a reasonable person to fully and fairly assess the pros and cons of the proposed plan and the alternatives to the confirmation thereof.

2. As of the filing of this Reservation of Rights, the Committee lacks the necessary information it needs to assess the adequacy of the information contained in the Disclosure Statement in its current form. The Committee’s advisors have neither seen nor reviewed the Debtors’ valuation analysis, projections and liquidation analysis (collectively, the “Financial Exhibits”).

3. Moreover, several critical components of the Disclosure Statement and the Debtors’ proposed plan of reorganization [D.I. 15] (the “Plan”) remain subject to ongoing negotiations, including the treatment of the DIP Facility Claims and the Debtors’ exit financing package (collectively, the “Financing”). Given the impact that the DIP Facility Claims may have on the recoveries of unsecured creditors and the potential risks associated with the Debtors’ exit financing, the Committee expressly reserves its right to evaluate the adequacy of disclosure of these issues once the Debtors provide such information, to ensure that the Disclosure Statement contains sufficient information to allow a creditor to make an informed decision on whether to

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Disclosure Statement Motion or the *Joint Disclosure Statement Pursuant to Section 1125 of the Bankruptcy Code for the Joint Plan of Reorganization of the Debtors and Debtors in Possession* [D.I. 16] (the “Disclosure Statement”), as applicable.

vote to accept or reject the Plan.

4. Lastly, the Committee provided the Debtors substantive comments to the Disclosure Statement and the proposed solicitation procedures. It is unclear, as of the time of this filing, which, if any, of these comments will be addressed by the Debtors in a revised Disclosure Statement and solicitation procedures.

5. At a minimum, the Disclosure Statement will need to be revised to account for the outstanding issues outlined above. Although the Committee is committed to reviewing the Financial Exhibits and any new information related to the Financing (and corresponding updated Disclosure Statement) in a diligent manner, the fact remains that the Committee and other parties in interest need sufficient time to review this information—and the Disclosure Statement Hearing is currently scheduled for just *two days* from today.

6. Accordingly, the Committee files this Reservation of Rights to preserve the Committee's rights to (i) object to the approval of the Disclosure Statement Motion and (ii) if the Committee deems it necessary, request that the Disclosure Statement Hearing be continued until, at minimum, the necessary information and updated Disclosure Statement have been filed and the Committee has had sufficient time to assess the adequacy of the new information. This Reservation of Rights is submitted without prejudice to, and with a full reservation of, the Committee's rights, claims, defenses and remedies, including the right to amend, modify or supplement this Reservation of Rights, to seek discovery, to raise additional objections and to introduce evidence at any hearing relating to this Reservation of Rights, and without in any way limiting any other rights of the Committee to further object to the Disclosure Statement Motion or any subsequently revised documents related to the Disclosure Statement, the Disclosure Statement Motion or the Plan, on any grounds, as may be appropriate. Further, the Committee

reserves the right to amend or supplement this Reservation of Rights, based upon any facts or arguments that come to light prior to the hearing on these issues.

Dated: February 3, 2016  
Wilmington, Delaware

**REED SMITH LLP**

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