

---

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

---

**FORM 8-K**

---

**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): December 11, 2012**

---

**HARBINGER GROUP INC.**

**(Exact name of registrant as specified in its charter)**

---

**Delaware**  
**(State or other jurisdiction  
of incorporation)**

**1-4219**  
**(Commission  
File Number)**

**74-1339132**  
**(IRS Employer  
Identification No.)**

**450 Park Avenue, 27<sup>th</sup> Floor,  
New York, NY**  
**(Address of Principal Executive Offices)**

**10022**  
**(Zip Code)**

**(212) 906-8555**  
**(Registrant's telephone number, including area code)**

**(Former name or former address, if changed since last report)**

---

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- 
-

**Item 8.01 Other Events.**

Harbinger Group Inc. (“HGI”) is hereby providing its investors with certain financial and other information relating the previously announced:

(a) agreement between HGI Energy Holdings, LLC, its wholly-owned subsidiary, and EXCO Resources, Inc., to enter into a joint venture transaction to form a partnership for the purpose of holding certain oil, gas and mineral leases and wells and certain related assets (the “EXCO/HGI Partnership”) and (b) agreement by and between Spectrum Brands, Inc., its majority-owned subsidiary, and Stanley Black & Decker, Inc. (“Stanley Black & Decker”) to acquire the residential hardware and home improvement business of Stanley Black & Decker and certain of its subsidiaries (“HHI”).

More specifically, HGI is also providing investors with: (i) a description of the expected business of EXCO/HGI Partnership, certain related financial statements and the related consent of KPMG LLP, filed with this report as Exhibits 99.1, 99.2 and 23.1, respectively, (ii) a description of the expected business of HHI and certain related financial statements, filed with this report as Exhibits 99.3 and 99.4, respectively, (iii) certain unaudited pro forma financial statements of HGI, filed with this report as Exhibit 99.4, (iv) a report and consent of Lee Keeling and Associates, Inc., independent consulting petroleum engineers of HGI, with respect to the properties expected to be contributed to EXCO/HGI Partnership, filed with this report as Exhibits 23.2 and 99.6, respectively; and (iv) HGI’s Certificate of Incorporation and Bylaws, as currently in effect, filed with this report as Exhibits 3.1 and 3.2.

“Safe Harbor” Statement Under the Private Securities Litigation Reform Act of 1995: Some of the statements contained in herein, including statements regarding the transaction to form the EXCO/HGI Partnership (the “Energy Transaction”) and the acquisition of the HHI business, and certain oral statements made by our representatives from time to time regarding the matters discussed herein are or may be forward-looking statements. Such forward-looking statements are based upon management’s current expectations that are subject to risks and uncertainties that could cause actual results, events and developments to differ materially from those set forth in or implied by such forward-looking statements. These statements and other forward-looking statements made from time-to-time by HGI and its representatives are based upon certain assumptions and describe future plans, strategies and expectations of HGI, are generally identifiable by use of the words “believes,” “expects,” “intends,” “anticipates,” “plans,” “seeks,” “estimates,” “projects,” “may” or similar expressions. Factors that could cause actual results, events and developments to differ include, without limitation, the risk that closing of the acquisition of the HHI business or closing of the Energy Transaction will not occur, will be delayed or will close on terms materially different than expected, including, in the case of the Energy Transaction, (i) as a result of title and environmental diligence of properties to be acquired, commodity price risks, drilling and production risks, (ii) financing plans for the EXCO/HGI Partnership and the Energy Transaction, (iii) reserve estimates and values, statements about the EXCO/HGI Partnership’s properties and potential reserves and production levels. Other factors could cause actual results, events and developments to differ include, without limitation, the ability of HGI’s subsidiaries (including, following the closing of the Energy Transaction, the Partnership) to generate sufficient net income and cash flows to make upstream cash distributions, capital market conditions, that HGI may not be successful in identifying any suitable future acquisition opportunities, the risks that may affect the performance of the operating subsidiaries of HGI and those factors listed under the caption “Risk Factors” in HGI’s most recent Annual Report on Form 10-K, filed with the Securities and Exchange Commission. All forward-looking statements described herein are qualified by these cautionary statements and there can be no assurance that the actual results, events or developments referenced herein will occur or be realized. HGI does not undertake any obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operation results.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
3.1	Certificate of Incorporation of Harbinger Group Inc.
3.2	Bylaws of Harbinger Group Inc.
23.1	Consent by KPMG LLP, regarding EXCO Resources, Inc.’s Certain Conventional and Natural Gas Properties
23.2	Consent by Lee Keeling and Associates, Inc.
99.1	Business Description of EXCO/HGI Partnership
99.2	Financial Statements of EXCO Resources, Inc.’s Certain Conventional and Natural Gas Properties
99.3	Business Description of HHI
99.4	Combined Financial Statements of the HHI Group for the Fiscal Years Ended December 31, 2011 and January 1, 2011 and Combined Financial Statements of the HHI Group for the Six Months Ended June 30, 2012 and July 2, 2011
99.5	Unaudited Pro Forma Condensed Combined Financial Statements of Harbinger Group Inc.
99.6	Report of Lee Keeling and Associates, Inc.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**HARBINGER GROUP INC.**

Date: December 11, 2012

By: /s/ Thomas A. Williams

Name: Thomas A. Williams

Title: Executive Vice President and Chief Financial Officer

## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
3.1	Certificate of Incorporation of Harbinger Group Inc.
3.2	Bylaws of Harbinger Group Inc.
23.1	Consent by KPMG LLP, regarding Exco Resources, Inc.'s Certain Conventional Oil and Natural Gas Properties
23.2	Consent by Lee Keeling and Associates, Inc.
99.1	Business Description of EXCO/HGI Partnership
99.2	Financial Statements of Exco Resources, Inc.'s Certain Conventional Oil and Natural Gas Properties
99.3	Business Description of HHI
99.4	Combined Financial Statements of the HHI Group for the Fiscal Years Ended December 31, 2011 and January 1, 2011 and Combined Financial Statements of the HHI Group for the Six Months Ended June 30, 2012 and July 2, 2011
99.5	Unaudited Pro Forma Condensed Combined Financial Statements of Harbinger Group Inc.
99.6	Report of Lee Keeling and Associates, Inc.

**CERTIFICATE OF INCORPORATION  
OF  
HARBINGER GROUP INC.**

The undersigned, for purposes of incorporating a corporation under the General Corporation Law of the State of Delaware, does hereby certify as follows:

ARTICLE I — NAME

The name of the corporation is Harbinger Group Inc. (the “Corporation”).

ARTICLE II — REGISTERED OFFICE AND AGENT

The address of the Corporation’s registered office in the State of Delaware is 2711 Centerville Road, Suite 400, in the City of Wilmington, County of New Castle. The name of the Corporation’s registered agent at such address is Corporation Service Company.

ARTICLE III — PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the “DGCL”).

ARTICLE IV — CAPITALIZATION

(a) Authorized Shares. The total number of shares of stock which the Corporation shall have authority to issue is 510,000,000 shares consisting of 500,000,000 shares of common stock, par value \$.01 per share (“Common Stock”) and 10,000,000 shares of preferred stock, par value \$.01 per share (“Preferred Stock”).

(b) Preferred Stock. Shares of Preferred Stock may be issued in one or more series, from time to time, with each such series to consist of such number of shares and to have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, as shall be stated in the resolution or resolutions providing for the issuance of such series adopted by the board of directors of the Corporation (the “Board of Directors”), and the Board of Directors is hereby expressly vested with authority, to the full extent now or hereafter provided by law, to adopt any such resolution or resolutions. The authority of the Board of Directors with respect to each series of Preferred Stock shall include, but not be limited to, determination of the following:

(i) The number of shares constituting that series and the distinctive designation of that series;

(ii) The dividend rate on the shares of that series, whether dividends shall be cumulative, and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of that series;

(iii) Whether that series shall have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights;

(iv) Whether that series shall have conversion privileges, and, if so, the terms and conditions of such conversion, including provision for adjustment of the conversion rate in such events as the Board of Directors shall determine;

(v) Whether or not the shares of that series shall be redeemable, and, if so, the terms and conditions of such redemption, including the date or date upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(vi) Whether that series shall have a sinking fund for the redemption or purchase of shares of that series, and, if so, the terms and amount of such sinking fund;

(vii) The rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series; and

(viii) Any other relative rights, preferences and limitations of that series.

ARTICLE V — BOARD OF DIRECTORS

(a) Number of Directors and Newly Created Directorships.

(i) Subject to any special rights of the holders of any class or series of stock to elect directors, the number of directors which shall constitute the whole Board of Directors shall be fixed exclusively by the Board of Directors in the manner provided in this Certificate of Incorporation and the Bylaws of the Corporation (the “Bylaws”).

(ii) If the number of directors is changed, any increase or decrease shall be apportioned by resolution of the Board of Directors among the classes so as to maintain a number of directors in each class as nearly equal as possible, and any additional director of any class elected to fill a vacancy resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case will a decrease in the number of directors shorten the term of any incumbent director. To the extent reasonably possible, consistent with the foregoing, any newly created directorships shall be added to those classes whose terms of office are to expire at the latest dates following such allocation and newly eliminated directorships shall be subtracted from those classes whose terms of office are to expire at the earliest dates following such allocation, unless otherwise provided for from time to time by resolution adopted by a majority of the members of the Incumbent Board (as defined below) then in office, although less than a quorum. The “Incumbent Board” shall mean those directors listed in Article VI(b) of this Certificate of Incorporation, provided that (A) any person becoming a director subsequent to such date whose election, or nomination for election by the Corporation’s stockholders, is approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of the Corporation, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended) or (B) any person appointed by the Incumbent Board to fill a vacancy, shall also be considered a member of the Incumbent Board.

(b) Classified Board of Directors. Subject to any special right of the holders of any class or series of stock to elect directors, the Board of Directors shall be classified with respect to the time for which they severally hold office into three classes, as nearly equal in number as possible. The initial Class III directors shall serve for a term expiring at the first annual meeting of stockholders of the Corporation following the filing of this Certificate of Incorporation; the initial Class I directors shall serve for a term expiring at the second annual meeting of stockholders following the filing of this Certificate of Incorporation; and the initial Class II directors shall serve for a term expiring at the third annual meeting of stockholders following the filing of this Certificate of Incorporation. Each director in each class shall hold office until his or her successor is duly elected and qualified, subject, however, to prior death, resignation, retirement or removal from office. At each annual meeting of stockholders beginning with the first annual meeting of stockholders following the filing of this Certificate of Incorporation, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders to be held in the third year following the year of their election, with each director in each such class to hold office until his or her successor is duly elected and qualified.

(c) Removal of Directors.

(i) Subject to any special rights of the holders of any class or series of stock to elect directors, neither the Board of Directors nor any individual director may be removed without cause.

(ii) Subject to any limitation imposed by law and any special rights of the holders of any class or series of stock to elect directors, any director may be removed with cause by the holders of a majority of the voting power of the Corporation entitled to vote at an election of directors.

(d) Vacancies. Subject to the rights of the holders of any series or class of stock to elect directors, any vacancies on the Board of Directors resulting from death, resignation, retirement, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors, shall be filled by the vote of a majority of the members of the Incumbent Board then in office, even though less than a quorum of the Board of Directors, and not by the stockholders. Subject to any special rights of the holders of any series or class of stock to elect directors and except as otherwise provided by law, in the event of a vacancy in the Board of Directors, the remaining directors may exercise the powers of the full Board of Directors until the vacancy is filled. Any director elected in accordance with this section shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified.

#### ARTICLE VI — INCORPORATOR; INITIAL BOARD OF DIRECTORS

(a) Incorporator. The name and mailing address of the incorporator of the Corporation is Tracy A. Romano, c/o Kaye Scholer LLP, 425 Park Avenue, New York, NY 10022.

(b) Initial Board of Directors. The powers of the incorporator shall terminate upon the filing of this Certificate of Incorporation. The names and mailing addresses of the persons who are to serve as the initial Board of Directors shall be as follows:

Name and Class	Address
Lap Wai Chan – Class I	171 E. 64th Street New York, NY 10065
Lawrence M. Clark, Jr. – Class I	c/o Harbinger Capital Partners, LLC, 450 Park Avenue, 30th Floor, New York, NY, 10022
Peter A. Jenson – Class I	c/o Harbinger Capital Partners, LLC, 450 Park Avenue, 30th Floor, New York, NY, 10022
Philip A. Falcone – Class II	c/o Harbinger Capital Partners, LLC, 450 Park Avenue, 30th Floor, New York, NY, 10022
Keith Hladek – Class II	c/o Harbinger Capital Partners, LLC, 450 Park Avenue, 30th Floor, New York, NY, 10022
Robert V. Leffler, Jr. – Class III	2607 N. Charles Street Baltimore, MD 21218
Thomas Hudgins – Class III	4700 North Ocean Blvd. Myrtle Beach, SC 29577

#### ARTICLE VII — LIMITATION OF DIRECTOR LIABILITY; INDEMNIFICATION AND ADVANCEMENT OF EXPENSES

(a) Limitation of Director Liability. The personal liability of the directors of the Corporation is hereby eliminated to the fullest extent permitted by the DGCL, including, without limitation, paragraph (7) of subsection (b) of Section 102 thereof, as the same may be amended or supplemented. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

(b) Indemnification. The Corporation shall have the power, to the fullest extent permitted by Section 145 of the DGCL, as the same may be amended or supplemented, to indemnify any person by reason of the fact that the person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise from and against any and all of the expenses, liabilities or other matters referred to in or covered by said section, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those

indemnified may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

(c) Effect of Amendment. Neither any amendment nor repeal of this Article VII, nor the adoption of any provision of this Corporation's Certificate of Incorporation inconsistent with this Article VII, whether by amendment to this Certificate of Incorporation or by merger, reorganization, recapitalization or other corporate transaction having the effect of amending this Certificate of Incorporation, shall eliminate or reduce the effect of this Article VII in respect of any matter occurring, or any action or proceeding accruing or arising or that, but for this Article VII, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

#### ARTICLE VIII — MEETINGS OF STOCKHOLDERS

(a) Annual Meetings of Stockholders. The annual meeting of stockholders shall be held in accordance with the procedures set forth in the Bylaws.

(b) Special Meetings of Stockholders. Special Meetings of Stockholders may be called in accordance with the procedures set forth in the Bylaws.

#### ARTICLE IX — BUSINESS COMBINATIONS WITH INTERESTED STOCKHOLDERS

(a) The Corporation elects not to be governed by Section 203 of the DGCL.

(b) Notwithstanding any other provision(s) of this Article IX, the Corporation shall not engage in any Business Combination (as defined below) with any Interested Stockholder (as defined below) for a period of three years following the time that such stockholder became an Interested Stockholder, unless:

(i) Prior to such time the Board of Directors approved either the Business Combination or the transaction which resulted in the stockholder becoming an Interested Stockholder;

(ii) Upon consummation of the transaction which resulted in the stockholder becoming an Interested Stockholder, the Interested Stockholder owned at least 85% of the Voting Stock (as defined below) of the Corporation outstanding at the time the transaction commenced, excluding for purposes of determining the Voting Stock outstanding (but not the outstanding Voting Stock owned by the Interested Stockholder) those shares owned (A) by persons who are directors and also officers and (B) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

(iii) At or subsequent to such time the Business Combination is approved by the Board of Directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least a majority of the outstanding Voting Stock which is not owned by the Interested Stockholder.

(c) The restrictions contained in Article IX shall not apply if:

(i) The Corporation does not have a class of Voting Stock that is: (A) listed on a national securities exchange; or (B) held of record by more than 2,000 stockholders, unless any of the foregoing results from action taken, directly or indirectly, by an Interested Stockholder or from a transaction in which an individual, corporation, partnership, unincorporated association or other entity (a "Person") becomes an Interested Stockholder;

(ii) A stockholder becomes an Interested Stockholder inadvertently and (A) as soon as practicable divests itself of ownership of sufficient shares so that the stockholder ceases to be an Interested Stockholder; and (B) would not, at any time within the three-year period immediately prior to a Business Combination between the Corporation and such stockholder, have been an Interested Stockholder but for the inadvertent acquisition of ownership;



(iii) The Business Combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required hereunder of a proposed transaction which,

(A) Constitutes one of the transactions described in the second sentence of this paragraph;

(B) Is with or by a Person who either was not an Interested Stockholder during the previous three years or who became an Interested Stockholder with the approval of the Board of Directors or during the period described in paragraph (iv) of this subsection (c); and

(C) Is approved or not opposed by a majority of the members of the Board of Directors then in office (but not less than one) who were directors prior to any Person becoming an Interested Stockholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors.

The proposed transactions referred to in the preceding sentence are limited to

(1) A merger or consolidation of the Corporation (except for a merger in respect of which, pursuant to Section 251(f) of the DGCL, no vote of the stockholders of the Corporation is required);

(2) A sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation (other than to any direct or indirect wholly-owned subsidiary or to the Corporation) having an aggregate market value equal to 50% or more of either the aggregate market value of all of the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding Stock (as defined below) of the Corporation; or

(3) A proposed tender or exchange offer for 50% or more of the outstanding Voting Stock of the Corporation.

The Corporation shall give not less than 20 days' notice to all Interested Stockholders prior to the consummation of any of the transactions described in clause (1) or (3) of this paragraph; or

(iv) The Business Combination is with an Interested Stockholder who became an Interested Stockholder at a time when the restrictions contained in this section did not apply by reason of paragraph (i) of this subsection (c).

(d) As used in this Article IX only, the term:

(i) "Affiliate" means a Person that directly, or indirectly through one or more intermediaries, Controls (as defined below), or is controlled by, or is under common control with, another Person.

(ii) "Associate," when used to indicate a relationship with any Person, means: (A) Any other Person of which such Person is a director, officer or partner or is, directly or indirectly, the Owner (as defined below) of 20% or more of any class of Voting Stock; (B) Any trust or other estate in which such Person has at least a 20% beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity; and (C) Any relative or spouse of such Person, or any relative of such spouse, who has the same residence as such Person.

(iii) "Business Combination," when used in reference to any corporation and any Interested Stockholder of such corporation, means:

(A) Any merger or consolidation of the Corporation or any direct or indirect majority-owned subsidiary of the Corporation with the Interested Stockholder, or with any Person if the merger or consolidation is caused by the Interested Stockholder and as a result of such merger or consolidation Article IX(b) is not applicable to the surviving Person;

(B) Any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a stockholder of such corporation, to or with the Interested Stockholder, whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation which assets have an aggregate market value equal to 10% or more of either the aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding Stock of the Corporation;

(C) Any transaction which results in the issuance or transfer by the Corporation or by any direct or indirect majority-owned subsidiary of the Corporation of any Stock of the Corporation or of such subsidiary to the Interested Stockholder, except: (1) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into Stock of such corporation or any such subsidiary which securities were outstanding prior to the time that the Interested Stockholder became such; (2) pursuant to a merger under Section 251(g) of the DGCL; (3) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into Stock of such corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series of Stock of such corporation subsequent to the time the Interested Stockholder became such; (4) pursuant to an exchange offer by the Corporation to purchase Stock made on the same terms to all holders of said Stock; or (5) any issuance or transfer of Stock by the Corporation; *provided, however*, that in no case under items (3)-(5) of this subparagraph shall there be an increase in the Interested Stockholder's proportionate share of the Stock of any class or series of the Corporation or of the Voting Stock of the Corporation;

(D) Any transaction involving the Corporation or any direct or indirect majority-owned subsidiary of the Corporation which has the effect, directly or indirectly, of increasing the proportionate share of the Stock of any class or series, or securities convertible into the Stock of any class or series, of the Corporation or of any such subsidiary which is owned by the Interested Stockholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of Stock not caused, directly or indirectly, by the Interested Stockholder; or

(E) Any receipt by the Interested Stockholder of the benefit, directly or indirectly (except proportionately as a stockholder of such corporation), of any loans, advances, guarantees, pledges or other financial benefits (other than those expressly permitted in subparagraphs (A)-(D) of this section) provided by or through the Corporation or any direct or indirect majority-owned subsidiary.

(iv) "Control," including the terms "controlling," "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 a Person, whether through the ownership of Voting Stock, by contract or otherwise. A Person who is the Owner of 20% or more of the outstanding Voting Stock of any other Person shall be presumed to have control of such Person, in the absence of proof by a preponderance of the evidence to the contrary. Notwithstanding the foregoing, a presumption of control shall not apply where such Person holds Voting Stock, in good faith and not for the purpose of circumventing this section, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such Person.

(v) "Interested Stockholder" means any Person (other than the Corporation and any direct or indirect majority-owned subsidiary of the Corporation) that is the Owner of 15% or more of the outstanding Voting Stock of the Corporation, or is an Affiliate or Associate of the Corporation and was the Owner of 15% or more of the outstanding Voting Stock of the Corporation at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such Person is an Interested Stockholder, and the Affiliates and Associates of such Person, *provided, however*, that the term "Interested Stockholder" shall not include;

(A) any Person whose ownership of shares in excess of the 15% limitation set forth herein is the result of action taken solely by the Corporation; *provided that* such Person shall be an Interested Stockholder if thereafter such Person acquires additional shares of Voting Stock of the Corporation, except as a result of further corporate action not caused, directly or indirectly, by such Person. For the purpose of determining whether a Person is an Interested Stockholder, the Voting Stock of the Corporation deemed to be outstanding shall include Stock deemed to be owned by the Person through application of paragraph (ix) of this subsection but shall not include any other unissued Stock of such Corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise; and

(B) any Person that would have been deemed to be an Interested Stockholder of Zapata Corporation, a Nevada corporation (“Zapata Nevada”), immediately prior to the consummation of the merger contemplated by the Agreement and Plan of Merger between Zapata Nevada and the Corporation if the terms and conditions of this Article IX had been included in the articles of incorporation of Zapata Nevada. For avoidance of doubt, the following Persons and their Affiliates are not Interested Stockholders: any Person, investment fund, managed account or special purpose entity which is directly or indirectly controlled or managed by, or is under common control with, or controls, Harbinger Holdings, LLC and/or each of its affiliates and/or subsidiaries, or any successor thereto, or is otherwise controlled or managed, directly or indirectly, by Philip A. Falcone.

(vi) “Stock” means, with respect to any corporation, capital stock and, with respect to any other Person, any equity interest.

(vii) “Voting Stock” means, with respect to any corporation, Stock of any class or series entitled to vote generally in the election of directors and, with respect to any Person that is not a corporation, any equity interest entitled to vote generally in the election of the governing body of such Person. Every reference to a percentage of voting stock shall refer to such percentage of the votes of such voting stock.

(viii) “Owner,” including the terms “own” and “owned,” when used with respect to any Stock, means a Person that individually or with or through any of its Affiliates or Associates:

(A) Beneficially owns such Stock, directly or indirectly; or

(B) Has (i) the right to acquire such Stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; *provided, however*, that a Person shall not be deemed the Owner of Stock tendered pursuant to a tender or exchange offer made by such Person or any of such Person’s Affiliates or Associates until such tendered Stock is accepted for purchase or exchange; or (ii) the right to vote such Stock pursuant to any agreement, arrangement or understanding; *provided, however*, that a Person shall not be deemed the Owner of any Stock because of such Person’s right to vote such Stock if the agreement, arrangement or understanding to vote such Stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to ten or more Persons; or

(C) Has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in item (ii) of subparagraph (B) of this paragraph), or disposing of such Stock with any other Person that beneficially owns, or whose Affiliates or Associates beneficially own, directly or indirectly, such Stock.

#### ARTICLE X — CORPORATE OPPORTUNITIES

(a) Certain Acknowledgements. In recognition and anticipation that (i) a director of the Corporation (each, an “Overlap Person”) may now serve and may in the future serve as a director, officer, partner, manager, representative, agent or employee of one or more Other Entities (as defined below), (ii) an Overlap Person may be presented with opportunities whether in his or her capacity as a director, officer, partner, manager, representative, agent or employee of the Corporation, one or more Other Entities or otherwise, (iii) the Corporation, directly or indirectly, may engage in the same, similar or related lines of business as those engaged in by an Other Entity, (iv) from time to time, the Corporation or its subsidiaries may be interested, or potentially interested, in the same or similar business opportunities as an Other Entity, (v) the Corporation will derive substantial benefits from the service of the Overlap Persons as directors of the Corporation and its subsidiaries, and (vi) it is in the best interests of the Corporation that the rights of the Corporation, and the duties of any Overlap Person, be determined and delineated as provided in this Article X in respect of any Potential Business Opportunities (as defined below) and in respect of the agreements and transactions referred to herein. The provisions of this Article X will, to the

fullest extent permitted by law, regulate and define the conduct of the business and affairs of the Corporation and its directors who are Overlap Persons in connection with any Potential Business Opportunities. Any Person purchasing or otherwise acquiring any shares of capital stock of the Corporation, or any interest therein, will be deemed to have notice of and to have consented to the provisions of this Article X.

(b) As used in this Article X, the term or terms:

(i) “directors,” “officers,” “employees” and “agents” of any Person will be deemed to include those Persons who hold similar positions or exercise similar powers and authority with respect to any Other Entity that is a non-corporate Person.

(ii) “Disqualified Opportunity” means a Potential Business Opportunity that meets any of the following criteria: (A) the acquisition of an equity interest in a Person that does not entitle the Corporation to elect a majority of the members of the board of directors, general partner, managing member or similar governing body of such Person, (B) the extension of credit to any Person, or the acquisition of any interest or participation in any debt, (C) the acquisition of debt, equity or other interests in a Person or business that is reasonably believed by an Other Entity or an Overlap Person to be distressed or insolvent or to be in default with respect to any debt, (D) the extension of credit to, or the acquisition of debt or equity or other interests or assets in, a Person or business that is in a bankruptcy or insolvency proceeding, including, but not limited to, providing debtor-in-possession financing or the purchase of interests in a Person, assets or business in connection with a bankruptcy or insolvency proceeding or reorganization or liquidation relating to or arising from a bankruptcy or insolvency proceeding, (E) an acquisition of assets that does not constitute a whole company, operating division of a Person or line of business, or (F) investments in any other industry in which the Corporation is not then engaged and that the Board of Directors designates from time to time as being a Disqualified Opportunity.

(iii) “Other Entity” means any Person (other than the Corporation and any Person that is controlled by the Corporation) for which an Overlap Person serves as a director, officer, partner, member, manager, representative, agent, adviser, fiduciary or employee, including, but not limited to, any Person, investment fund, managed account or special purpose entity which is directly or indirectly controlled or managed by, or is under common control with, or controls, Harbinger Holdings, LLC and/or each of its affiliates and/or subsidiaries, or any successor thereto, or is otherwise controlled or managed, directly or indirectly, by Philip A. Falcone.

(iv) “Potential Business Opportunity” means a potential transaction or matter (and any such actual or potential business opportunity) that may constitute or present a business opportunity for the Corporation or any of its subsidiaries, in which the Corporation or any of its subsidiaries could, but for the provisions of this Article X, have an interest or expectancy.

(v) “Restricted Potential Business Opportunity” means a Potential Business Opportunity that satisfies all of the following conditions: (A) such Potential Business Opportunity was expressly presented or offered to the Overlap Person solely in his or her capacity as a director or officer of the Corporation; (B) the Corporation possessed, or would reasonably be expected to be able to possess, the resources, including cash, necessary to exploit such Potential Business Opportunity; (C) such Potential Business Opportunity relates exclusively to the business of the Corporation as the business of the Corporation at such time is determined by the Board of Directors from time to time in good faith; and (D) such Potential Business Opportunity does not constitute a Disqualified Opportunity.

(c) Duties of Directors Regarding Potential Business Opportunities; Renunciation of Interest in Potential Business Opportunities. If a director of the Corporation who is an Overlap Person is presented or offered, or otherwise acquires knowledge of, a Potential Business Opportunity: (i) such Overlap Person will, to the fullest extent permitted by law, have no duty or obligation to refrain from referring such Potential Business Opportunity to any Other Entity and, if such Overlap Person refers such Potential Business Opportunity to an Other Entity, such Overlap Person shall have no duty or obligation to refer such Potential Business Opportunity to the Corporation or to any of its subsidiaries or to give any notice to the Corporation or to any of its subsidiaries regarding such Potential Business Opportunity (or any matter related thereto); (ii) any Other Entity may participate, engage or invest in any such Potential Business Opportunity notwithstanding that such Potential Business Opportunity may have been referred to such Other Entity by an Overlap Person; and (iii) if a director who is an Overlap Person refers a Potential

Business Opportunity to an Other Entity then, as between the Corporation and such Other Entity, the Corporation shall not have any interest, expectancy or right in or to such Potential Business Opportunity or to receive any income or proceeds derived therefrom solely as a result of such Overlap Person having been presented or offered, or otherwise acquiring knowledge of such Potential Business Opportunity. The Corporation hereby renounces, to the fullest extent permitted by law, any interest or expectancy in any Potential Business Opportunity that is a Disqualified Opportunity or that is not a Restricted Potential Business Opportunity. In the event the Board of Directors declines to pursue a Restricted Potential Business Opportunity, any Overlap Person shall be free to refer such Restricted Potential Business Opportunity to an Other Entity.

(d) Certain Agreements and Transactions Permitted. No contract, agreement, arrangement or transaction (or any amendment, modification or termination thereof) entered into between the Corporation and/or any of its subsidiaries, on the one hand, and any Other Entity, on the other hand, shall be void or voidable or be considered unfair to the Corporation or any of its subsidiaries because an Other Entity is a party thereto, or because any directors, officers, partners, managers, representative, agents or employees of an Other Entity were present at or participated in any meeting of the Board of Directors, or a committee thereof, of the Corporation, or the Board of Directors, or committee thereof, of any subsidiary of the Corporation, that authorized the contract, agreement, arrangement or transaction (or any amendment, modification or termination thereof), or because his, her or their votes were counted for such purpose. The Corporation may, from time to time, enter into and perform, and cause or permit any of its subsidiaries to enter into and perform, one or more contracts, agreements, arrangements or transactions (or amendments, modifications or supplements thereto) with an Other Entity. To the fullest extent permitted by law, no such contract, agreement, arrangement or transaction (nor any such amendments, modifications or supplements), nor the performance thereof by the Corporation, an Other Entity or any subsidiary thereof, shall be considered contrary to any fiduciary duty owed to the Corporation (or to any subsidiary of the Corporation, or to any stockholder of the Corporation or any of its subsidiaries) by any director or officer of the Corporation (or by any director or officer of any subsidiary of the Corporation) who is an Overlap Person. To the fullest extent permitted by law, no director or officer of the Corporation or any subsidiary of the Corporation who is an Overlap Person thereof shall have or be under any fiduciary duty to the Corporation (or to any subsidiary of the Corporation, or to any stockholder of the Corporation or any of its subsidiaries) to refrain from acting on behalf of the Corporation or an Other Entity, or any of their respective subsidiaries, in respect of any such contract, agreement, arrangement or transaction or performing any such contract, agreement, arrangement or transaction in accordance with its terms and shall be deemed (i) not to have breached his or her duties of loyalty to the Corporation or to any of its subsidiaries or to any stockholder of the Corporation or any of its subsidiaries, and (ii) not to have derived an improper personal benefit therefrom.

(e) Amendment of Article X. No alteration, amendment or repeal, or adoption of any provision inconsistent with, any provision of this Article X, whether by amendment to this Certificate of Incorporation or by merger, reorganization, recapitalization or other corporate transaction having the effect of amending this Certificate of Incorporation, will have any effect upon: (i) any agreement between the Corporation or a subsidiary thereof and any Other Entity thereof, that was entered into before the time of such alteration, amendment or repeal or adoption of any such inconsistent provision (the "Amendment Time"), or any transaction entered into in connection with the performance of any such agreement, whether such transaction is entered into before or after the Amendment Time; (ii) any transaction entered into between the Corporation or a subsidiary thereof and any Other Entity, before the Amendment Time; (iii) the allocation of any business opportunity between the Corporation or any subsidiary thereof and any Other Entity before the Amendment Time; or (iv) any duty or obligation owed by any director of the Corporation or any subsidiary of the Corporation (or the absence of any such duty or obligation) with respect to any Potential Business Opportunity which such director was offered, or of which such director or officer otherwise became aware, before the Amendment Time (regardless of whether any proceeding relating to any of the above is commenced before or after the Amendment Time).

#### ARTICLE XI — AMENDMENTS TO THE CERTIFICATE OF INCORPORATION AND BYLAWS

(a) Amendments to the Certificate of Incorporation. Notwithstanding any other provisions of this Certificate of Incorporation, and notwithstanding that a lesser percentage may be permitted, from time to time, by applicable law, no provision of this Certificate of Incorporation may be altered, amended or repealed in any respect, nor may

any provision inconsistent therewith be adopted, unless such alteration, amendment, repeal or adoption is approved by the affirmative vote of the holders of at least fifty percent (50%) of the capital stock of the Corporation entitled to vote generally in an election of directors, voting together as a single class.

(b) Adoption, Amendment and Repeal of the Bylaws. In furtherance and not in limitation of the powers conferred by law, the Board of Directors is expressly authorized to make, alter, amend and repeal the Bylaws of the Corporation subject to the power of the stockholders of the Corporation to alter, amend or repeal the Bylaws; *provided, however*, that with respect to the powers of stockholders to make, alter, amend or repeal the By-laws, the affirmative vote of the holders of majority of the Corporation's outstanding voting stock shall be required to make, alter amend or repeal the Bylaws of the Corporation.

(c) Amendments to Article IX.

(i) Any amendments to Article IX, whether by amendment to this Certificate of Incorporation or by merger, reorganization, recapitalization or other corporate transaction having the effect of amending this Certificate of Incorporation, shall not be effective until 12 months after the adoption of such amendment and shall not apply to any Business Combination, as defined in Article IX, between the Corporation and any Person who became an Interested Stockholder, as defined in Article IX, of the Corporation on or prior to such adoption; and

(ii) Any amendments to Article IX, whether by amendment to this Certificate of Incorporation or by merger, reorganization, recapitalization or other corporate transaction having the effect of amending this Certificate of Incorporation, shall not apply to restrict a Business Combination between the Corporation and an Interested Stockholder of the Corporation if the Interested Stockholder became such prior to the effective date of the amendment.

IN WITNESS WHEREOF, the undersigned incorporator has executed this Certificate of Incorporation this 3rd day of November, 2009.

/s/ Tracy Romano  
Incorporator

**BYLAWS  
OF  
HARBINGER GROUP INC.  
(A DELAWARE CORPORATION)**

Article I.  
Meetings of Stockholders

SECTION 1.01 Annual Meetings. If required by applicable law, an annual meeting of stockholders shall be held for the election of directors at such date, time and place, if any, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Only such business as is properly designated by resolution of the Board of Directors or otherwise brought before such meeting in accordance with the Corporation's Certificate of Incorporation ("Certificate of Incorporation") and these Bylaws may be transacted at the annual meeting.

SECTION 1.02 Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by either (a) the Chairman of the Board of Directors or (b) by the Secretary or other officer of the Corporation upon delivery of a written request executed by three directors or, if there are fewer than three directors in office at that time, by all incumbent directors, which request shall specify the purpose of and business to be conducted at such special meeting. Special meetings may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

SECTION 1.03 Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a notice of the meeting shall be given that shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting) and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the Certificate of Incorporation or these Bylaws, the notice of any meeting shall be given not less than ten nor more than 60 days before the date of the meeting to each stockholder entitled to vote at the meeting as of the record date for determining the stockholders entitled to notice of the meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation. The attendance of any stockholder at a meeting, whether in person or by proxy, without protesting at the beginning of the meeting that the meeting is not lawfully called or convened, shall constitute a waiver of notice by such stockholder.

SECTION 1.04 Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix a new record date for notice of such adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date for notice of such adjourned meeting.

SECTION 1.05 Quorum. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, at each meeting of stockholders the presence in person or by proxy of the holders of a majority in voting power of the outstanding shares of stock entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, the person presiding over such meeting or stockholders present acting by a majority in voting power thereof, may adjourn the meeting from time to time in the manner provided in Section 1.04 of these Bylaws until a quorum shall attend. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; *provided, however*, that the foregoing shall not limit the right of the Corporation or any subsidiary of the Corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

SECTION 1.06 Organization. Meetings of stockholders shall be presided over by the Chairman of the Board of Directors or, in his or her absence, by the Chief Executive Officer or, in his or her absence, by the President or, in his or her absence, by a Vice President or, in the absence of the foregoing persons, by a chairman designated by the

Board of Directors or, in the absence of such designation, by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence, or at the request of the Secretary or the person presiding over the meeting, any other person may be selected to act as secretary of the meeting.

SECTION 1.07 Voting; Proxies. Except as otherwise provided by or pursuant to the provisions of the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date. Voting at meetings of stockholders need not be by written ballot. At all meetings of stockholders for the election of directors at which a quorum is present a plurality of the votes cast shall be sufficient to elect. All other elections and questions presented to the stockholders at a meeting at which a quorum is present shall, unless otherwise provided by the Certificate of Incorporation, these Bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or applicable law or pursuant to any regulation applicable to the Corporation or its securities, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock of the Corporation which are present in person or by proxy and entitled to vote thereon.

SECTION 1.08 Fixing Date for Determination of Stockholders of Record.

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, unless otherwise required by law, not be more than 60 nor less than 10 days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however*, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which shall not be more than 60 days prior to such other action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

SECTION 1.09 List of Stockholders Entitled to Vote. The officer who has charge of the stock ledger shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (*provided, however*, if the record date for determining the stockholders entitled to vote is less than ten days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day



before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting at least ten days prior to the meeting (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of meeting or (b) during ordinary business hours at the principal place of business of the Corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 1.09 or to vote in person or by proxy at any meeting of stockholders.

SECTION 1.10 Action by Written Consent of Stockholders. To the fullest extent and in the manner permitted by law, any action required or permitted to be taken at a meeting of the stockholders or of a class or series of stockholders may be taken without a meeting of the stockholders or of such class or series of stockholders upon the consent in writing signed by such stockholders who would have been entitled to vote the minimum number of votes that would be necessary to authorize the action at a meeting at which all the stockholders entitled to vote thereon were present and voting. The consents shall be filed with the Secretary.

SECTION 1.11 Inspectors of Election. The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (a) ascertain the number of shares of capital stock of the Corporation outstanding and the voting power of each such share, (b) determine the shares of capital stock of the Corporation represented at the meeting and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (e) certify their determination of the number of shares of capital stock of the Corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

SECTION 1.12 Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the person presiding over any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such presiding person, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the presiding person of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the presiding person of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (e) limitations on the time allotted to questions or comments by participants. The presiding person at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a

matter or business was not properly brought before the meeting and if such presiding person should so determine, such presiding person shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board of Directors or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

SECTION 1.13 Notice of Stockholder Business and Nominations.

(a) Annual Meetings of Stockholders.

Nominations of persons for election to the Board of Directors of the Corporation and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only:

(i) pursuant to the Corporation's notice of meeting (or any supplement thereto);

(ii) by or at the direction of the Board of Directors or any committee thereof; or

(iii) by any stockholder of the Corporation who was a stockholder of record of the Corporation at the time the notice provided for in Section 1.13(c)(i) is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 1.13(c)(i).

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (i) by or at the direction of the Board of Directors or any committee thereof or (ii) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time the notice required by Section 1.13(c)(i) is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and upon such election and who complies with the notice requirements set forth in Section 1.13(c)(i).

(c) Stockholder's Notice. For any nominations or other business to be properly brought before an annual meeting or special meeting by a stockholder pursuant Section 1.13(a)(iii) or Section 1.13(b)(ii), the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and any such proposed business (other than the nominations of persons for election to the Board of Directors) must constitute a proper matter for stockholder action.

(i) Timing of Stockholder's Notice.

(A) For a stockholder's notice with respect to an annual meeting to be timely, it must be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 90th day, nor earlier than the close of business on the 120th day, prior to the first anniversary of the preceding year's annual meeting (*provided, however*, that in the event that the date of the annual meeting is more than 30 days before or more than 70 days after such anniversary date, notice by the stockholder must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made by the Corporation). Notwithstanding anything in the previous sentence to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased effective at the annual meeting and there is no public announcement by the Corporation naming the nominees for the additional directorships at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 1.13 shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

(B) For a stockholder's notice with respect to a special meeting of stockholders called by the Corporation for the purpose of electing one or more directors to the Board of Directors to be timely, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by Section 1.13(b)(ii) shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting.

(C) In no event shall the public announcement of an adjournment or postponement of an annual meeting or special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(ii) *Content of Stockholder's Notice.* The stockholder's notice shall set forth:

(A) as to each person whom the stockholder proposes to nominate for election as a director (y) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to and in accordance with Section 14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the rules and regulations promulgated thereunder, and (z) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected;

(B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws of the Corporation, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and

(C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (1) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, (2) the class or series and number of shares of capital stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner, (3) a description of any agreement, arrangement or understanding with respect to the nomination or proposal between or among such stockholder and/or such beneficial owner, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing, including, in the case of a nomination, the nominee, (4) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice by, or on behalf of, such stockholder and such beneficial owners, whether or not such instrument or right shall be subject to settlement in underlying shares of capital stock of the Corporation, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder or such beneficial owner, with respect to shares of stock of the Corporation, (5) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination, (6) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (x) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (y) otherwise to solicit proxies or votes from stockholders in support of such proposal or nomination, and (7) any other information relating to such stockholder and beneficial owner, if any, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder.

(iii) *Other Information.* The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation, including, but not limited to, requiring proposed nominees to respond to a questionnaire providing information about the candidate's background and qualifications, to represent that he or she has no agreements with

any third party as to voting or compensation in connection with his or her service as a director, and to agree to abide by applicable confidentiality, governance, conflicts, stock ownership and trading policies of the Corporation. The foregoing notice requirements of this Section 1.13(c) shall be deemed satisfied by a stockholder with respect to business other than a nomination if the stockholder has notified the Corporation of his, her or its intention to present a proposal at an annual meeting in compliance with applicable rules and regulations promulgated under the Exchange Act and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting.

(d) *General.*

(i) Only such persons who are nominated in accordance with the procedures set forth in this Section 1.13 shall be eligible to be elected at an annual or special meeting of stockholders of the Corporation to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 1.13. Except as otherwise provided by law, the person presiding over the meeting shall have the power and duty:

(A) to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 1.13 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies or votes in support of such stockholder's nominee or proposal in compliance with such stockholder's representation as required by clause (6) of Section 1.13(c)(ii)(C) hereof); and

(B) if any proposed nomination or business was not made or proposed in compliance with this Section 1.13, to declare that such nomination shall be disregarded or that such proposed business shall not be transacted. Notwithstanding the foregoing provisions of this Section 1.13, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 1.13, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(ii) For purposes of this Section 1.13, "public announcement" shall include disclosure in a press release reported by the Dow Jones News Service, Associated Press or other national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(iii) Notwithstanding the foregoing provisions of this Section 1.13, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 1.13; *provided however*, that any references in these Bylaws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 1.13 (including Section 1.13(a)(iii) and Section 1.13(b) hereof), and compliance with Section 1.13(a)(iii) and Section 1.13(b) shall be the exclusive means for a stockholder to make nominations or submit other business (other than, as provided in the last sentence of Section 1.13(c)(iii), matters brought properly under and in compliance with Rule 14a-8 of the Exchange Act, as may be amended from time to time). Nothing in this Section 1.13 shall be deemed to affect any rights (A) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to applicable rules and regulations promulgated under the Exchange Act or (B) of the holders of any series of Preferred Stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation.

Article II.  
Board of Directors

SECTION 2.01 Number; Qualifications. Subject to the Certificate of Incorporation, the Board of Directors shall initially consist of seven members and the size of the Board of Directors may be decreased or increased, from time to time, by resolution of the Board of Directors. Directors need not be stockholders.

SECTION 2.02 Election; Resignation; Vacancies. Each director shall be elected in the manner specified in the Certificate of Incorporation and these Bylaws and shall hold office until such time as is set forth therein and herein. Any director may resign at any time upon notice to the Corporation. Unless otherwise provided by law or the Certificate of Incorporation, any newly created directorship or any vacancy occurring in the Board of Directors for any reason may be filled only by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, and each director so elected shall hold office until the expiration of the term of office of the director whom he or she has replaced or until his or her successor is elected and qualified.

SECTION 2.03 Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine.

SECTION 2.04 Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the Chairman of the Board, Chief Executive Officer, or by the Secretary upon written request of any three members of the Board of Directors or, if there are fewer than three directors in office at that time, by all incumbent directors. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling the meeting orally or in writing, by telephone, facsimile, telegraph or telex, or by electronic mail or other electronic means, during normal business hours, at least 24 hours before the date and time of the meeting.

SECTION 2.05 Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 2.05 shall constitute presence in person at such meeting.

SECTION 2.06 Quorum; Vote Required for Action. At all meetings of the Board of Directors, a majority of the entire Board of Directors shall constitute a quorum or, if there are fewer directors then in office than the number of directors required to constitute such a quorum, a majority of the members of the Board of Directors then in office shall constitute a quorum. Except in cases in which the Certificate of Incorporation, these Bylaws or applicable law otherwise provides, a majority of the votes entitled to be cast by the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 2.07 Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board of Directors or, in his or her absence, by a chairman chosen at the meeting. The Secretary or other person chosen by the Secretary shall act as secretary of the meeting, but in his or her absence, the chairman of the meeting may appoint any person to act as secretary of the meeting.

SECTION 2.08 Action by Unanimous Consent of Directors. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmissions are filed with the minutes of proceedings of the Board of Directors or committee in accordance with applicable law.

SECTION 2.09 Fees and Compensation. Directors shall be entitled to such compensation for their services as may be approved by the Board of Directors, including, if so approved, by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, for attendance at each regular or special meeting of the Board of Directors and at any meeting of a committee of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation therefor.

Article III.  
Committees

SECTION 3.01 Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it.

SECTION 3.02 Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these Bylaws.

Article IV.  
Officers

SECTION 4.01 Officers. The officers of the Corporation may consist of a Chairman of the Board of Directors, a Chief Executive Officer, a Chief Financial Officer, a President, one or more Vice Presidents, a Secretary, a Treasurer, a Controller and such other officers as the Board of Directors may from time to time determine, each of whom shall be elected by the Board of Directors, each to have such authority, functions or duties as set forth in these Bylaws or as determined by the Board of Directors. Each officer shall be chosen by the Board of Directors and shall hold office for such term as may be prescribed by the Board of Directors and until such person's successor shall have been duly chosen and qualified, or until such person's earlier death, disqualification, resignation or removal.

SECTION 4.02 Removal, Resignation and Vacancies. Any officer of the Corporation may be removed, with or without cause, by the Board of Directors, without prejudice to the rights, if any, of such officer under any contract to which he or she is a party. Any officer may resign at any time upon written notice to the Corporation, without prejudice to the rights, if any, of the Corporation under any contract to which such officer is a party. If any vacancy occurs in any office of the Corporation, the Board of Directors may elect a successor to fill such vacancy until the earlier of such officer's resignation, removal, death or until a successor shall have been duly chosen and qualified.

SECTION 4.03 Chairman of the Board of Directors. The Board of Directors may, by resolution adopted by a majority of the Board of Directors, at any time designate one of its members as Chairman of the Board of Directors. The Chairman of the Board of Directors shall preside at the meetings of the Board, shall be responsible for the orderly conduct by the Board of Directors of its oversight of the business and affairs of the Corporation and its other duties as provided by law, the Certificate of Incorporation and these Bylaws and shall have such other authority and responsibility as the Board of Directors may designate. A Chairman of the Board shall be considered an officer of the Corporation unless designated as a non-executive Chairman of the Board by a resolution of the Board of Directors.

SECTION 4.04 Chief Executive Officer. The Chief Executive Officer shall have general supervision and direction of the business and affairs of the Corporation, shall be responsible for corporate policy and strategy, and shall report directly to the Board of Directors or, if directed by the Board of Directors, to the Chairman of the Board of Directors. Unless otherwise provided in these Bylaws, all other officers of the Corporation shall report directly to the Chief Executive Officer or as otherwise determined by the Chief Executive Officer. The Chief Executive Officer shall, if present and in the absence of the Chairman of the Board of Directors, preside at meetings of the stockholders and of the Board of Directors.

SECTION 4.05 Chief Financial Officer. The Chief Financial Officer shall exercise all the powers and perform the duties of the office of the chief financial officer and in general have overall supervision of the financial operations of the Corporation. The Chief Financial Officer shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Chief Executive Officer or the Board of Directors may from time to time determine.

SECTION 4.06 President. The President shall be the chief operating officer of the Corporation, with general responsibility for the management and control of the operations of the Corporation. The President shall have the power to affix the signature of the Corporation to all contracts that have been authorized by the Board of Directors or the Chief Executive Officer. The President shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Chief Executive Officer or the Board of Directors may from time to time determine.

SECTION 4.07 Vice Presidents. Each Vice President shall have all such powers and duties as from time to time may be assigned to him or her by the Board of Directors, the Chief Executive Officer or the President.

SECTION 4.08 Treasurer. The Treasurer shall supervise and be responsible for all the funds and securities of the Corporation, the deposit of all moneys and other valuables to the credit of the Corporation in depositories of the Corporation, borrowings and compliance with the provisions of all indentures, agreements and instruments governing such borrowings to which the Corporation is a party, the disbursement of funds of the Corporation and the investment of its funds, and in general shall perform all of the duties incident to the office of the Treasurer. The Treasurer shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Chief Executive Officer, the Chief Financial Officer or the Board of Directors may from time to time determine.

SECTION 4.09 Controller. The Controller shall be the chief accounting officer of the Corporation. The Controller shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Chief Executive Officer, the Chief Financial Officer or the Board of Directors may from time to time determine.

SECTION 4.10 Secretary. The powers and duties of the Secretary are: (a) to act as Secretary at all meetings of the Board of Directors, of the committees of the Board of Directors and of the stockholders and to record the proceedings of such meetings in a book or books to be kept for that purpose; (b) to see that all notices required to be given by the Corporation are duly given and served; (c) to act as custodian of the seal of the Corporation and affix the seal or cause it to be affixed to all certificates of stock of the Corporation and to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; (d) to have charge of the books, records and papers of the Corporation and see that the reports, statements and other documents required by law to be kept and filed are properly kept and filed; and (e) to perform all of the duties incident to the office of Secretary. The Secretary shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Chief Executive Officer or the Board of Directors may from time to time determine.

SECTION 4.11 Additional Matters. The Board of Directors, the Chief Executive Officer and the President of the Corporation shall have the authority to designate employees of the Corporation to have the title of Vice President, Assistant Vice President, Assistant Treasurer or Assistant Secretary. Any employee so designated shall have the powers and duties determined by the officer making such designation. The persons upon whom such titles are conferred shall not be deemed officers of the Corporation unless elected by the Board of Directors.

SECTION 4.12 Delegation of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

SECTION 4.13 Resignations. Any officer may resign at any time by giving notice in writing or by electronic transmission notice to the Board of Directors, Chairman of the Board, President or Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract with the resigning officer.

Article V.

Stock

SECTION 5.01 Certificates. The shares of the Corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of stock represented by certificates shall be entitled to have a certificate signed by or in the name of the Corporation by the Chairman of the Board of Directors or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the Corporation certifying the number of shares owned by such holder in the Corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent, or registrar at the date of issue.

SECTION 5.02 Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

SECTION 5.03 Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation and applicable law, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of capital stock, subject to the provisions of the Certificate of Incorporation and applicable law. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the Corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

Article VI.

Indemnification and Advancement of Expenses

SECTION 6.01 Indemnification and Advancement of Expenses. Each person who is or was a director of the Corporation shall be indemnified and advanced expenses by the Corporation to the fullest extent permitted from time to time by the General Corporation Law of the State of Delaware as it exists on the date hereof or as it may hereafter be amended (but, if permitted by applicable law, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) or any other applicable laws as presently or hereafter in effect. The Corporation may, by action of the Board of Directors, provide indemnification and advance expenses to officers, employees and agents (other than directors) of the Corporation, to directors, officers, employees or agents of a subsidiary, and to each person serving as a director, officer, partner, member, employee or agent of another Corporation, partnership, limited liability company, joint venture, trust or other enterprise, at the request of the Corporation (each of the foregoing, a "Covered Person"), with the same scope and effect as the foregoing indemnification of directors of the Corporation. The Corporation shall be required to indemnify any person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors or is a proceeding to enforce such person's claim to indemnification pursuant to the rights granted by these Bylaws or otherwise by the Corporation. Without limiting the generality or the effect of the foregoing, the Corporation may enter into one or more agreements with any person which provide for indemnification or advancement of expenses greater or different than that provided in this Article VI.

SECTION 6.02 Amendment or Repeal. Any right to indemnification or to advancement of expenses of any Covered Person arising hereunder shall not be eliminated or impaired by an amendment to or repeal of these Bylaws after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought.



SECTION 6.03 Indemnification and Advancement of Expenses. This Article VI shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

Article VII.  
Miscellaneous

SECTION 7.01 Fiscal Year. The fiscal year of the Corporation shall be determined by resolution of the Board of Directors.

SECTION 7.02 Seal. The corporate seal shall have the name of the Corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

SECTION 7.03 Manner of Notice. Except as otherwise provided herein or permitted by applicable law, notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the Corporation. Without limiting the manner by which notice otherwise may be given effectively to stockholders, and except as prohibited by applicable law, any notice to stockholders given by the Corporation under any provision of applicable law, the Certificate of Incorporation or these Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any stockholder who fails to object in writing to the Corporation, within 60 days of having been given written notice by the Corporation of its intention to send the single notice permitted under this Section 7.03, shall be deemed to have consented to receiving such single written notice. Notice to directors need not be in writing and may be given by telecopier, telephone, electronic mail or other means of electronic transmission.

SECTION 7.04 Waiver of Notice of Meetings of Stockholders, Directors and Committees. Any waiver of notice, given by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in a waiver of notice.

SECTION 7.05 Form of Records. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be kept on, or by means of, or be in the form of, any information storage device or method, provided that the records so kept can be converted into clearly legible paper form within a reasonable time.

SECTION 7.06 Amendment of Bylaws. These Bylaws may be altered, amended or repealed or new Bylaws may be adopted by the Board of Directors or by the affirmative vote of the holders of at least a majority of the Corporation's outstanding voting stock, subject to and only in accordance with the provisions of the Certificate of Incorporation.

## Consent of Independent Auditor

The Board of Directors  
EXCO Resources, Inc.:

We consent to the incorporation by reference in the registration statement on Form S-3 (No. 333-180070) of Harbinger Group, Inc. of our report dated December 6, 2012 with respect to statements of revenues and direct operating expenses of the Certain Conventional Oil and Natural Gas Properties of EXCO Resources, Inc. for the years ended December 31, 2011, 2010 and 2009, which report appears in the Current Report on Form 8-K of Harbinger Group Inc. to be filed on December 11, 2012.

/s/ KPMG LLP

Dallas, Texas  
December 10, 2012

**CONSENT OF INDEPENDENT PETROLEUM ENGINEERS**

As independent petroleum engineers, Lee Keeling and Associates, Inc. hereby consents to the use of the name Lee Keeling and Associates, Inc., to references to Lee Keeling and Associates, Inc. and to the incorporation by reference of information contained in its report dated December 10, 2012 titled "Estimated Proved Reserves and Future Net Cash Flow Constant Pricing Interests Owned by EXCO Resources, Inc." in the Registration Statement on Form S-3 (No. 333-180070) of Harbinger Group Inc. (the "Registration Statement"). Lee Keeling and Associates, Inc. further consents to the use of Lee Keeling and Associates, Inc. in the "Experts" section of the Registration Statement.

/s/ Lee Keeling and Associates, Inc.

Tulsa, Oklahoma  
December 10, 2012

## Business Description of EXCO/HGI Partnership

On November 5, 2012, HGI Energy, our wholly owned subsidiary, signed definitive agreements with EXCO Resources, Inc., a publicly-traded independent oil and natural gas production company and EXCO Operating Company, LP, to create the EXCO/HGI Partnership. The EXCO/HGI Partnership will purchase and operate EXCO's conventional oil and gas assets in West Texas, East Texas and North Louisiana.

Under the terms of the EXCO/HGI Purchase Agreement, and subject to the terms, conditions and purchase price adjustments set forth therein, the EXCO/HGI Partnership will acquire oil and gas assets from EXCO Parent for approximately \$725 million of total consideration, subject to customary closing adjustments to reflect an effective date of July 1, 2012. The purchase by the EXCO/HGI Partnership will be funded with approximately \$225 million of bank debt, \$372.5 million in cash contributed from HGI and \$127.5 million in oil and gas properties and related assets being contributed by EXCO Parent. In exchange for its cash investment, HGI will receive a 75% limited partnership interest in the EXCO/HGI Partnership and a 50% member interest in the General Partner of the EXCO/HGI Partnership. The General Partner will own a 2% interest in the EXCO/HGI Partnership, thus giving HGI directly and indirectly a net 74.5% total equity interest in the EXCO/HGI Partnership. In exchange for its asset contribution, EXCO Parent will receive approximately \$597.5 million in cash proceeds as well as a 25% limited partner interest and a 50% member interest in the General Partner, for a net 25.5% total equity interest in the EXCO/HGI Partnership.

We expect that the EXCO/HGI Partnership will make quarterly distributions of available free cash flow after capital expenditures and debt service. Distributable cash, after an anticipated 30-50% dedication to debt service, will be distributed 2% to the General Partner and 98% to the limited partners until a specified distribution threshold is met, at which time the distributions above the threshold will be allocated 25% to the general partner and 75% to the limited partners. The EXCO/HGI Partnership has been structured with these incentive distribution rights to the General Partner to give EXCO Parent upside incentives to maintain efficient operations and to grow cash flows for the benefit of all partners of the EXCO/HGI Partnership.

The EXCO/HGI Partnership will produce and develop the contributed assets. Additionally, EXCO Parent and HGI intend to add incremental cash flow to the EXCO/HGI Partnership through the opportunistic acquisition of other mature, conventional oil and gas assets over time. EXCO will continue to operate the properties on a contract-basis and provide other related services pursuant to operating and administrative services agreements with the EXCO/HGI Partnership. The EXCO/HGI Partnership will be governed by its General Partner, which will have a Board of Directors consisting initially of two EXCO Parent directors and two HGI directors.

**Description of the EXCO/HGI Partnership Properties**

The Contributed Properties include EXCO Parent's existing Cotton Valley assets in its Holly, Waskom, Danville and Vernon fields in East Texas and North Louisiana. These properties are located in Gregg, Harrison and Panola counties in Texas and Caddo, De Soto and Jackson parishes in Louisiana, and include all depths from the base of the Cotton Valley and above. The Contributed Properties will include the equity interests of Vernon Gathering LLC, which is an EXCO Parent subsidiary that owns a gas gathering system associated with the Vernon field.

The Contributed Properties will also include all of EXCO Parent's rights (excluding all depths below the base of the Canyon Sand intervals) in its Canyon Sand field and certain other conventional assets in the Permian Basin of West Texas. These properties are located in Irion, Tom Green, Sterling and Dawson counties.

We expect that the Contributed Properties will have estimated proved reserves as discussed below, of which approximately 80% are proved developed producing with long-lived and predictable production profiles. Approximately 81% of these reserves are natural gas; approximately 9% of these reserves are oil; and approximately 10% of these reserves are natural gas liquids. The assets include more than 1,400 producing wells and approximately 124,000 net mineral leasehold acres, of which approximately 90% are held by production.

The table below shows selected characteristics of the Partnership Properties (as of the July 1, 2012 effective date).

	East Texas/ West Texas	North Louisiana	Total
Gross Acres	29,715	168,442	198,157
Net Acres	27,158	96,548	123,706
Gross Producing Wells	423	997	1,420
Daily Production:			
Oil (Bbls/D)	1,464	250	1,714
NgI (Bbls/D)	1,435	—	1,435
Natural Gas (Mcf/D)	7,038	74,182	81,220
Total Daily Production (Mcf/D)	24,432	75,682	100,114
Proved Reserves (Mmcf) (1)			456,464

(1) As discussed further below, the estimated proved reserves attributable to the properties being contributed to the EXCO/HGI Partnership, using the unweighted average prices for the twelve months ended June 30, 2012 of \$3.15 per Mmbtu of natural gas and \$95.67 per Bbl of crude oil as required by Regulation S-X under the Securities Act, were 466,204 Mmcf.

The above data is subject to change at or prior to closing, based on changes for title and environmental diligence, third party consents and preferential rights, and other closing conditions.

The EXCO/HGI Partnership's interest in the leases comprising the Contributed Properties will generally be limited to certain shallow depths, and EXCO will retain the deep rights. To the extent that EXCO Parent has existing facilities that serve both the shallow rights contributed to the EXCO/HGI Partnership and the deep rights retained by EXCO Parent, the EXCO/HGI Partnership will have concurrent rights with EXCO Parent in such facilities, which will be subject to a Shared Use Agreement to be entered into between the EXCO/HGI Partnership and EXCO Parent at closing.

#### EXCO/HGI Partnership Oil and Natural Gas Reserves

The following table summarizes proved reserves of the Contributed Partnership as of July 1, 2012 (the "EXCO/HGI Partnership Properties"). This information was prepared in accordance with the rules and regulations of the SEC.

Oil (Mbbbls)		
Developed		4,691.261
Undeveloped		1,891.204
Total		6,582.465
Natural Gas (Mmcf)		
Developed		357,530.098
Undeveloped		13,033.048
Total		370,563.146

Natural Gas Equivalent Reserves (Mmcfe)	
Developed	414,719.512
Undeveloped	41,714.332
Total	456,463.844

These estimates were calculated in accordance with Regulation S-X of the Securities Act using unweighted average prices for the twelve months ended June 30, 2012 of \$3.15 per Mmbtu of natural gas, \$95.67 per Bbl of crude oil and \$59.32 per Bbl of NGL. These estimated proved reserves were based on a report of Lee Keeling and Associates, Inc., an independent petroleum engineering firm located in Tulsa, Oklahoma (the "Reserve Engineer"). EXCO's internal technical employees responsible for reserve estimates and interaction with this independent engineer include corporate officers with petroleum and other engineering degrees, professional certifications and industry experience similar to those of the Reserve Engineer.

Estimates of oil and natural gas reserves are projections based on a process involving an independent third party engineering firm's extensive visits, collection of any and all required geological, geophysical, engineering and economic data, and such firm's complete external preparation of all required estimates and are forward-looking in nature. These reports rely on various assumptions, including definitions and economic assumptions required by the SEC, which include the use of constant oil and natural gas pricing, use of current and constant operating costs and current capital costs. We have also made assumptions relating to availability of funds and timing of capital expenditures for development of the EXCO/HGI Partnership Properties' proved undeveloped reserves based on EXCO's current planned drilling program for the EXCO/HGI Partnership Properties as discussed and reviewed with Harbinger. The actual drilling program for the EXCO/HGI Partnership remains subject to final review and agreement between EXCO and Harbinger. These reports should not be construed as the current market value of our proved reserves. The process of estimating oil and natural gas reserves is also dependent on geological, engineering and economic data for each reservoir. Because of the uncertainties inherent in the interpretation of this data, we cannot ensure that the reserves will ultimately be realized. The actual results of the EXCO/HGI Partnership Properties could differ materially.

The Reserve Engineer also examined our estimates with respect to reserve categorization, using the definitions for proved reserves set forth in SEC Regulation S-X Rule 4-10(a) and SEC staff interpretations and guidance. In preparing an estimate of our proved reserves attributable to the Partnership Properties, the Reserve Engineer did not independently verify the accuracy and completeness of information and data furnished by EXCO or us with respect to ownership interests, oil and natural gas production, well test data, historical costs of operation and development, product prices, or any agreements relating to current and future operations of the properties and sales of production. However, if in the course of the examination something came to the attention of the Reserve Engineer which brought into question the validity or sufficiency of any such information or data, the Reserve Engineer did not rely on such information or data until they had satisfactorily resolved their questions relating thereto or had independently verified such information or data. The Reserve Engineer determined that their estimates of proved reserves conform to the guidelines of the SEC, including the criteria of "reasonable certainty," as it pertains to expectations about the recoverability of proved reserves in future years, under existing economic and operating conditions, consistent with the definition in Rule 4-10(a)(24) of SEC Regulation S-X.

## Risks Related to EXCO/HGI Partnership

**The consummation of the acquisition of the EXCO/HGI Partnership is subject to certain conditions, some of which are out of our control; failure to close the acquisition of the EXCO/HGI Partnership could, under certain circumstances, result in payment of a termination fee to EXCO Parent.**

The closing of the acquisition of the EXCO/HGI Partnership is subject to certain conditions some of which are out of our control including, among others, obtaining required regulatory approvals, obtaining certain third party consents and other customary closing conditions. In addition, under the EXCO/HGI Purchase Agreement, each of EXCO and HGI Energy may terminate the EXCO/HGI Purchase Agreement in the event that the adjustments to the aggregate value of the Contributed Properties resulting from title defects, environmental defects or the failure to obtain required third party consents, waivers of applicable preferential purchase rights or waivers of maintenance of uniform interest provisions exceed \$70 million. There is no guarantee that these conditions will be satisfied, or that the acquisition of the EXCO/HGI Partnership will not be delayed or will occur on terms materially different than those expected, including, as a result of title and environmental diligence of properties to be acquired, commodity price risks, drilling and production risks, risks related to transaction financing plans and reserve estimates and values and potential reserves and production levels.

EXCO Parent has certain termination rights under the EXCO/HGI Purchase Agreement that, if exercised by EXCO Parent (subject to the satisfaction of certain specified requirements in the EXCO/HGI Purchase Agreement), may result in the payment by HGI Energy to EXCO Parent of a termination fee of \$60 million. Upon the satisfaction of certain conditions, HGI has guaranteed the obligation of HGI Energy to pay such termination fee to EXCO Parent.

**Fluctuations in oil and natural gas prices, which have been volatile at times, may adversely affect the revenues of the EXCO/HGI Partnership as well as its ability to secure an adequate borrowing capacity, repay indebtedness and obtain additional capital on attractive terms.**

The future financial condition, access to capital, cash flow and results of operations of the EXCO/HGI Partnership will depend upon the prices it receives for its oil and natural gas. The EXCO/HGI Partnership will be particularly dependent on prices for natural gas because a large portion of the proved reserves attributable to the properties being contributed to the EXCO/HGI Partnership are natural gas. Historically, oil and natural gas prices have been volatile and are subject to fluctuations in response to changes in supply and demand, market uncertainty and a variety of additional factors that are beyond the control of the EXCO/HGI Partnership. Factors that affect the prices the EXCO/HGI Partnership will receive for its oil and natural gas include:

- supply and demand for oil and natural gas and expectations regarding supply and demand;
- the level of domestic production;
- the availability of imported oil and natural gas;
- political and economic conditions and events in foreign oil and natural gas producing nations, including embargoes, continued hostilities in the Middle East and other sustained military campaigns, and acts of terrorism or sabotage;
- the ability of members of the Organization of Petroleum Exporting Countries to agree to and maintain oil price and production controls;
- the cost and availability of transportation and pipeline systems with adequate capacity;
- the cost and availability of other competitive fuels;
- fluctuating and seasonal demand for oil, natural gas and refined products;
- concerns about climate change or other conservation initiatives and the extent of governmental price controls and regulation of production;
- regional price differentials and quality differentials of oil and natural gas;
- the availability of refining capacity;
- technological advances affecting oil and natural gas production and consumption;
- weather conditions and natural disasters;
- foreign and domestic government relations; and
- overall economic conditions.

In the past, including during the last five years, prices of oil and natural gas have been extremely volatile, and we expect this volatility to continue. The revenues, cash flow and profitability of the EXCO/HGI Partnership and its ability to secure an adequate borrowing capacity, repay indebtedness and obtain additional capital on attractive terms will depend substantially upon oil and natural gas prices.

**Changes in the differential between NYMEX or other benchmark prices of oil and natural gas and the reference or regional index price used to price the EXCO/HGI Partnership's actual oil and natural gas sales could have a material adverse effect on the results of operations and financial condition of the EXCO/HGI Partnership.**

The reference or regional index prices that EXCO has historically used, and that the EXCO/HGI Partnership is expected to use, to price the EXCO/HGI Partnership's oil and natural gas sales sometimes reflect a discount to the relevant benchmark prices, such as NYMEX. The difference between the benchmark price and the price references in a sales contract is called a differential. We cannot accurately predict oil and natural gas differentials. Changes in differentials between the benchmark price for oil and natural gas and the reference or regional index price references in the EXCO/HGI Partnership's sales contracts could have a material adverse effect on the EXCO/HGI Partnership's results of operations, cash flows and financial condition.

**There are risks associated with the EXCO/HGI Partnership's drilling activity that could impact the results of our operations.**

Drilling involves numerous risks, including the risk that the EXCO/HGI Partnership will not encounter commercially productive oil or natural gas reservoirs. The EXCO/HGI Partnership is expected to incur significant expenditures to identify and acquire properties and to drill and complete wells. Additionally, seismic and other technology will not allow the EXCO/HGI Partnership to know conclusively prior to drilling a well that oil or natural gas is present or economically producible. The costs of drilling and completing wells are often uncertain, and drilling operations may be curtailed, delayed or canceled as a result of a variety of factors, including unexpected drilling conditions, pressure or irregularities in formations, equipment failures or accidents, weather conditions and shortages or delays in the delivery of equipment. EXCO has historically experienced, and the EXCO/HGI Partnership may in the future experience, some delays in contracting for drilling rigs, and obtaining fracture stimulation crews and materials, which result in increasing costs to drill wells. All of these risks could adversely affect the EXCO/HGI Partnership's results of operations, cash flows and financial condition.

**Increased drilling in the shale formations may cause pipeline and gathering system capacity constraints that may limit the EXCO/HGI Partnership's ability to sell natural gas and/or receive market prices for its natural gas.**

The Haynesville/Bossier shale wells being retained by EXCO Parent have generally reported very high initial production rates. If drilling in the Haynesville/Bossier shale continues to be successful, the amount of natural gas being produced in the area from these new wells, as well as natural gas produced from other existing wells, may exceed the capacity of the various gathering and intrastate or interstate transportation pipelines currently available. If this occurs, it will be necessary for new interstate and intrastate pipelines and gathering systems to be built.

Because of the current economic climate, certain planned pipeline projects for the Haynesville/Bossier shale areas may not occur because the prospective owners of these pipelines may be unable to secure the necessary financing. In addition, capital constraints could limit the EXCO/HGI Partnership's ability to build intrastate gathering systems necessary to transport its natural gas to interstate pipelines. In such event, this could result in wells being shut in awaiting a pipeline connection or capacity and/or natural gas being sold at much lower prices than those quoted on NYMEX or than we currently project, which would adversely affect the EXCO/HGI Partnership's results of operations.

**The General Partner will not have any of its own employees, but instead will have employees supplied by EXCO Parent, either dedicated to the needs of the EXCO/HGI Partnership or shared with EXCO Parent to supply competent, knowledgeable and competitive employees, including members of management, for the success of the EXCO/HGI Partnership.**

Pursuant to the terms of the joint venture transaction, EXCO will supply to the General Partner of the EXCO/HGI Partnership certain employees that will be dedicated to the needs of the EXCO/HGI Partnership, and will also share certain employees with the EXCO/HGI Partnership to fill other needs. The General Partner, therefore, will not employ any of its own personnel. While HGI Energy will participate in the decision-making of the EXCO/HGI Partnership as members of the board of directors of the General Partner and have certain rights regarding dedicated and shared employees who perform services for the EXCO/HGI Partnership, it will rely to an extent on the decisions of EXCO Parent's employees, including those of management, for the day-to-day operations of the EXCO/HGI Partnership. EXCO Parent's failure to provide competent and competitive employees, including members of management, could adversely affect the business, cash flows, financial performance and results of operations of the EXCO/HGI Partnership.



In addition, the EXCO/HGI Partnership will engage EXCO Parent as operator of substantially all of the properties it owns. In the event that EXCO Parent terminates its operating agreements with the EXCO/HGI Partnership, or otherwise resigns as operator, either HGI Energy or the EXCO/HGI Partnership may incur additional expense engaging and transitioning employees for the EXCO/HGI Partnership to replace those provided by EXCO, which additional expense could have an adverse affect the business, cash flows or financial performance of the EXCO/HGI Partnership.

**Our failure to resolve any material disagreements with EXCO relating to the EXCO/HGI Partnership could have a material adverse effect on the success of the operations, financial condition and results of operations of the EXCO/HGI Partnership.**

Each of EXCO Parent and HGI Energy will have an initial 50% interest in the General Partner of the EXCO/HGI Partnership. In addition, EXCO Parent will serve as operator of the oil and gas properties being contributed to the EXCO/HGI Partnership. We will depend on EXCO Parent in many ways for the success of the EXCO/HGI Partnership, such as for performance of its duties as a prudent operator or to make agreed payments of substantial carried costs pertaining to the EXCO/HGI Partnership and its share of capital and other costs of the EXCO/HGI Partnership. EXCO Parent's performance of these obligations or the ability of EXCO Parent to meet its obligations under these arrangements is outside our control. If EXCO Parent does not meet or satisfy its obligations under the operating and other service agreements with the EXCO/HGI Partnership, the performance and success of the EXCO/HGI Partnership, and its value to us, may be adversely affected. If EXCO Parent, or any future joint venture partner (if any), is unable to meet its obligations, the EXCO/HGI Partnership may be forced to undertake the obligations itself and/or incur additional expenses and delays in order to have some other party perform such obligations. In such cases we may also be required to enforce our rights, which may cause disputes among our joint venture partner and us. If any of these events occur, they may adversely impact us, the EXCO/HGI Partnership, and its or our financial performance and results of operations.

As with any joint venture transaction, the EXCO/HGI Partnership arrangement may involve risks not otherwise present when exploring and developing properties independently, including, for example:

- EXCO Parent may share certain approval rights over major decisions, which may result in a failure to mutually agree to take action, delays and related additional expenses, and decisions and actions that are taken to obtain mutual consent that are sub-optimal for the EXCO/HGI Partnership or HGI Energy;
- disputes between us and EXCO Parent may result in litigation or arbitration that would increase expenses, delay or terminate projects and prevent the officers and directors of the General Partner of the EXCO/HGI Partnership from focusing their time and effort on its business;
- the possibility that EXCO Parent might become insolvent or bankrupt, which may result in its removal from the joint venture or failure to perform and may result in HGI Energy having to pay EXCO Parent's share of joint venture liabilities in order to operate the EXCO/HGI Partnership;
- the possibility that the EXCO/HGI Partnership may incur liabilities as a result of an action taken by EXCO Parent, which would reduce the value of our interests in the EXCO/HGI Partnership;
- that under certain circumstances, neither EXCO Parent nor us has the power to control the EXCO/HGI Partnership, and an impasse could be reached which might have a negative influence on our investment in the joint venture; and
- EXCO Parent may decide to sell its interest in the EXCO/HGI Partnership or resign as operator of the EXCO/HGI Partnership and we may be unable to, or be unable to timely, replace EXCO Parent or raise the necessary financing to purchase EXCO's interest.

The failure to resolve disagreements with EXCO Parent could adversely affect the business of the EXCO/HGI Partnership, which would in turn negatively affect the EXCO/HGI Partnership's results of operations, cash flows and financial condition. See Risk Factors—Risks Related to HGI—"Our participation in any future joint investment could be adversely affected by our lack of sole decision-making authority, our reliance on a partner's financial condition and disputes between us and our partners."

**In connection with the closing of the EXCO/HGI Partnership, the EXCO/HGI Partnership will incur a substantial amount of indebtedness, which may adversely affect its cash flow and ability to operate its business, remain in compliance with debt covenants and make payments on its debt and distributions to us.**

Pursuant to the EXCO/HGI Purchase Agreement, at the closing, the EXCO/HGI Partnership is expected to enter into a credit agreement and incur \$225.0 million of indebtedness (as adjusted according to the EXCO/HGI Purchase Agreement). To service its indebtedness, the EXCO/HGI Partnership will be required to generate a significant amount of cash. The EXCO/HGI Partnership's ability to generate cash depends on many factors beyond its control, and any failure to meet its debt obligations could harm its business, financial condition and results of operations. In particular, the EXCO/HGI Partnership's reserves, borrowing base, production and cash flows can be negatively impacted by declines in natural gas prices. If the EXCO/HGI Partnership's operating cash flow and other capital resources are insufficient to fund its debt obligations, it may be forced to sell assets, seek additional equity or debt capital or restructure its debt. These remedies may not be available on commercially reasonable terms, or at all. In addition, such credit agreement may contain covenants imposing operating and financial restrictions on the EXCO/HGI Partnership's business and require the satisfaction of certain financial tests.

**The EXCO/HGI Partnership may be unable to acquire or develop additional reserves, which would reduce its revenues and access to capital.**

The long-term success of the EXCO/HGI Partnership will depend upon its ability to find, develop or acquire additional oil and natural gas reserves that are profitable to produce. Pursuant to the transaction agreements, upon consummation of the transaction, the EXCO/HGI Partnership will be granted rights of first refusal to certain oil and gas acquisitions or dispositions planned by either us or EXCO Parent. However, such rights terminate after a change of control of either party, if EXCO no longer serves as operator of the EXCO/HGI Partnership assets, or if either party disposes of its interest in the EXCO/HGI Partnership. Additional factors that may hinder the EXCO/HGI Partnership's ability to acquire or develop additional oil and natural gas reserves include competition, access to capital, prevailing oil and natural gas prices and the number and attractiveness of properties for sale. If the EXCO/HGI Partnership is unable to conduct successful development activities or acquire properties containing proved reserves, its total proved reserves will generally decline as a result of production. Also, its production will generally decline. In addition, if the EXCO/HGI Partnership's reserves and production decline, then the amount it will be able to borrow under its credit agreement will also decline. The EXCO/HGI Partnership may be unable to locate additional reserves, drill economically productive wells or acquire properties containing proved reserves.

Development and exploration drilling and strategic acquisitions are the main methods of replacing reserves. However, development and exploration drilling operations may not result in any increases in reserves for various reasons. The EXCO/HGI Partnership's future oil and natural gas production depends on its success in finding or acquiring additional reserves. If it fails to replace reserves through drilling or acquisitions, its level of production and cash flows will be adversely affected.

**The EXCO/HGI Partnership may not identify all risks associated with the acquisition of oil and natural gas properties, and any indemnifications it receives from sellers may be insufficient to protect it from such risks, which may result in unexpected liabilities and costs to it.**

It is expected that the EXCO/HGI Partnership will acquire additional oil and natural gas properties in the pursuit of its business strategy. Any future acquisitions will require an assessment of recoverable reserves, title, future oil and natural gas prices, operating costs, potential environmental risks and liabilities, potential tax and Employee Retirement Income Security Act, or ERISA, liabilities, and other liabilities and other similar factors. As is common in the industry and depending on the size of the acquisition, it may not be feasible for the EXCO/HGI Partnership to review in detail every individual property involved in an acquisition. For example, for larger acquisitions, the review efforts of the EXCO/HGI Partnership may be focused on the higher-valued properties. Even a detailed review of properties and records may not reveal material existing or potential issues or provide the EXCO/HGI Partnership with sufficient information to assess fully their deficiencies and capabilities. Such issues, including deficiencies in the mechanical integrity of equipment or environmental conditions, may require significant remedial expenditures and could result in material liabilities and costs that negatively impact the EXCO/HGI Partnership's results of operations, cash flow and financial condition.

Even if we or the EXCO/HGI Partnership are able to identify such issues with an acquisition, the seller may be unwilling or unable to provide effective contractual protection or indemnity against all or part of these problems. Even if a seller agrees to provide indemnity, the indemnity may not be fully enforceable and may be limited by floors and caps on such indemnity.

**The EXCO/HGI Partnership may not correctly evaluate reserve data or the exploitation potential of properties as it engages in its acquisition, exploration, development and exploitation activities.**

The future success of the EXCO/HGI Partnership will depend on the success of its acquisition, exploration, development and exploitation activities. The EXCO/HGI Partnership's decisions to purchase, explore, develop or otherwise exploit properties or prospects will depend in part on the evaluation of data obtained from production reports and engineering studies, geophysical and geological analyses and seismic and other information, the results of which are often inconclusive and subject to various interpretations, which could significantly reduce the EXCO/HGI Partnership's ability to generate cash needed to service its debt, to fund its capital program and other working capital requirements and to pay distributions to us.

**The EXCO/HGI Partnership may encounter obstacles to marketing its oil and natural gas, which could adversely impact its revenues.**

The EXCO/HGI Partnership is expected to enter into an agreement pursuant to which EXCO will market and sell the EXCO/HGI Partnership's oil and natural gas. The effective marketing and sale of the EXCO/HGI Partnership's oil and natural gas production will depend upon the availability and capacity of natural gas gathering systems, pipelines and other transportation facilities. The EXCO/HGI Partnership will be primarily dependent upon third parties, including an affiliate of EXCO Parent, to transport its products. Transportation space on the gathering systems and pipelines to be used for the EXCO/HGI Partnership's oil and natural gas is occasionally limited or unavailable due to repairs, outages caused by accidents or other events, or improvements to facilities or due to space being utilized by other companies that have priority transportation agreements. Historically, EXCO Parent has experienced production curtailments in East Texas/North Louisiana resulting from capacity restraints, offsetting fracturing stimulation operations and short term shutdowns of certain pipelines that the EXCO/HGI Partnership will acquire for maintenance purposes. As a result, EXCO Parent has begun to shut in production on adjacent wells when conducting completion operations. Due to the high production capabilities of these wells, these volumes can be significant. In addition, the EXCO/HGI Partnership's access to transportation options can also be affected by U.S. federal and state regulation of oil and natural gas production and transportation, general economic conditions and changes in supply and demand. These factors and the availability of markets are beyond the EXCO/HGI Partnership's control. If market factors dramatically change, the impact on the EXCO/HGI Partnership's revenues could be substantial and could adversely affect its ability to produce and market oil and natural gas, which would negatively impact the EXCO/HGI Partnership's results of operation, cash flows and financial condition.

**The EXCO/HGI Partnership cannot control the development of the properties it will own but which EXCO does not operate, which may adversely affect its production, revenues and results of operations.**

All of the wells being contributed to the EXCO/HGI Partnership will be operated by either EXCO Parent pursuant to contract operating agreements, or by third parties other than EXCO Parent. As a result, the success and timing of the EXCO/HGI Partnership's drilling and development activities on its properties, particularly those operated by third parties, will depend upon a number of factors outside of the EXCO/HGI Partnership's control, including:

- the timing and amount of capital expenditures;
- the operators' expertise and financial resources;
- the approval of other participants in drilling wells; and
- the selection of suitable technology.

While the timing and amount of capital expenditures on properties operated by EXCO will remain subject in part to approval by the General Partner and the budget of the EXCO/HGI Partnership, such expenditures and budget will also remain subject to approvals by EXCO Parent in accordance with our partnership agreements. If drilling and development activities are not conducted on these properties or are not conducted on a timely basis, the EXCO/HGI Partnership may be unable to increase its production, offset normal production declines or may lose production leases due to non-production, which may adversely affect its production, revenues and results of operations.

**The EXCO/HGI Partnership's estimates of oil and natural gas reserves will involve inherent uncertainty, which could materially affect the quantity and value of its reported reserves, its financial condition and the value of our interest therein.**

Numerous uncertainties are inherent in estimating quantities of proved oil and natural gas reserves, including many factors beyond our control. This offering circular contains estimates of the proved oil and natural gas reserves attributable to the properties being acquired by the EXCO/HGI Partnership. These estimates are based upon reports of independent petroleum engineers and information provided by EXCO. These reports rely upon various assumptions, including assumptions required by the SEC as to oil and natural gas prices, drilling and operating expenses, capital expenditures, ad valorem and state severance taxes and availability of funds. These estimates should not be construed as the current market value of the EXCO/HGI Partnership's estimated proved reserves. The process of estimating oil and natural gas reserves is complex, requiring significant decisions and assumptions in the evaluation of available geological, engineering and economic data for each reservoir. As a result, the estimates are inherently imprecise evaluations of reserve quantities and future net revenue. The actual future production, revenues, taxes, development expenditures, operating expenses and quantities of the EXCO/HGI Partnership's recoverable oil and natural gas reserves may vary substantially from those we have assumed in the estimates. Any significant variance in our assumptions could materially affect the quantity and value of reserves, or the amount of PV-10 and Standardized Measure of the reserves, and the EXCO/HGI Partnership's financial condition. In addition, the EXCO/HGI Partnership's reserves, the amount of PV-10 and Standardized Measure, may be revised downward or upward based upon production history, results of future exploitation and development activities, prevailing oil and natural gas prices and other factors. A material decline in prices paid for the EXCO/HGI Partnership's production can adversely impact the estimated volumes and values of its reserves. Similarly, a decline in market prices for oil or natural gas may adversely affect its PV-10 and Standardized Measure. Any of these negative effects on the EXCO/HGI Partnership's reserves or PV-10 and Standardized Measure may decrease the value of our interest in the EXCO/HGI Partnership or its ability to pay distributions to us.

**The EXCO/HGI Partnership will be exposed to operating hazards and uninsured risks that could adversely impact its results of operations and cash flow.**

The EXCO/HGI Partnership's operations will be subject to the risks inherent in the oil and natural gas industry, including the risks of:

- fires, explosions and blowouts;
- pipe failures;
- abnormally pressured formations; and
- environmental accidents such as spills, leaks, ruptures or discharges of natural gas, natural gas liquids, oil, process water, well fluids or other hazardous substances into the environment (including impacts to groundwater).

These events may result in substantial losses to the EXCO/HGI Partnership from:

- injury or loss of life;
- severe damage to or destruction of property, natural resources and equipment;
- pollution or other environmental damage;
- environmental clean-up responsibilities;
- regulatory investigation;
- penalties and suspension of operations; or
- attorneys' fees and other expenses incurred in the prosecution or defense of litigation.

As is customary in the oil and gas production industry, the EXCO/HGI Partnership is expected to be insured against some, but not all, of these risks. Such insurance may not be adequate to cover these potential losses or liabilities. Furthermore, insurance coverage may not continue to be available at commercially acceptable premium levels or at all. Due to cost considerations, from time to time the EXCO/HGI Partnership may decline to obtain coverage for certain losses and liabilities, including drilling activities. Losses and liabilities arising from uninsured or under-insured events could require the EXCO/HGI Partnership to make large unbudgeted cash expenditures that could adversely impact its results of operations, cash flow and financial condition.

**The EXCO/HGI Partnership will be subject to complex federal, state, local and other laws and regulations that could adversely affect the cost, manner or feasibility of conducting its operations.**

The EXCO/HGI Partnership's oil and natural gas development and production operations will be subject to complex and stringent laws and regulations. In order to conduct its operations in compliance with these laws and regulations, it must obtain and maintain numerous permits, approvals and certificates from various federal, state and local governmental authorities. The EXCO/HGI Partnership may incur substantial costs in order to comply with these existing laws and regulations. In addition, such costs of compliance may increase if existing laws and regulations are revised or reinterpreted, or if new laws and regulations become applicable to the EXCO/HGI Partnership's operations.

The EXCO/HGI Partnership's business will be subject to federal, state and local laws and regulations as interpreted and enforced by governmental authorities possessing jurisdiction over various aspects of the exploration for, and the production and sale of, oil and natural gas. Failure to comply with such laws and regulations, as interpreted and enforced, could have a material adverse effect on the EXCO/HGI Partnership's results of operations, cash flows and financial condition.

**Certain U.S. federal income tax deductions currently available with respect to oil and gas exploration and development may be eliminated as a result of future legislation.**

President Obama's proposed fiscal year 2011, fiscal year 2012 and fiscal year 2013 Budgets included proposed legislation that would, if enacted into law, make significant changes to United States tax laws, including the elimination of certain key U.S. federal income tax incentives currently available to oil and natural gas exploration and production companies such as the EXCO/HGI Partnership. These changes include, but are not limited to, (i) the repeal of the percentage depletion allowance for oil and natural gas properties, (ii) the elimination of current deductions for intangible drilling and development costs, (iii) the elimination of the manufacturing deduction for certain domestic production activities, and (iv) an extension of the amortization period for certain geological and geophysical expenditures. It is unclear whether any such changes will be enacted or how soon any such changes could become effective. The passage of any legislation as a result of these proposals or any other similar changes in U.S. federal income tax laws could eliminate certain tax deductions that are currently available with respect to oil and gas exploration and development, and any such change could negatively affect the EXCO/HGI Partnership's results of operations, cash flows and financial condition.

**Climate change regulations could result in increased operating costs and reduced demand for the EXCO/HGI Partnership's oil and natural gas production.**

GHGs, including carbon dioxide, a product of the combustion of natural gas, and methane, a primary component of natural gas, may be contributing to the warming of the Earth's atmosphere, resulting in climatic changes. Federal, state and regional initiatives to reduce GHG emissions may adversely affect the EXCO/HGI Partnership's operations. For example, the EPA's so-called GHG tailoring rule imposes federal prevention of significant deterioration (PSD) permit requirements for new sources and modifications, and Title V operating permits for all sources, that have the potential to emit specific quantities of GHGs. Such permitting requirements could require the EXCO/HGI Partnership to install controls or implement other measures to reduce GHG emissions from new or modified sources. In addition, the EPA requires certain petroleum and natural gas sources to monitor, document and annually report their GHG emissions. These existing requirements, or any future GHG laws, regulations or permit requirements, could result in increased compliance costs or reduced demand for the EXCO/HGI Partnership's oil and gas production, which could negatively affect the EXCO/HGI Partnership's results of operations, cash flows and financial condition.

**The EXCO/HGI Partnership is subject to extensive environmental regulation, which could result in substantial liabilities and expenditures.**

The EXCO/HGI Partnership is subject to numerous federal, state and local laws, regulations and permit requirements relating to the protection of the environment, including those governing the discharge of materials into the water and air, the generation, management and disposal of petroleum products, process water, well fluids and hazardous substances and wastes and the remediation of contamination. Pursuant to such requirements, the EXCO/HGI Partnership could incur material costs and be subject to clean-up costs, fines and civil and criminal sanctions and third-party claims for property damage, natural resources damage and personal injury. Such requirements not only expose the EXCO/HGI Partnership to liability for its own activities, but may also expose it to liability for the conduct of others or for actions by the EXCO/HGI Partnership that were in compliance with all applicable laws at the time those actions were taken.

In addition, the EXCO/HGI Partnership could incur substantial expenditures to comply with current or future environmental laws, regulations and permits. Such environmental requirements have grown more stringent over time. For example, federal and state regulators have become increasingly focused on air emissions associated with the oil and gas industry. On August 16, 2012, the EPA published a rule that subjects oil and gas operations to new and amended requirements under both the New Source Performance Standards and National Emission Standards for Hazardous Air Pollutants programs of the Clean Air Act (“CAA”). Among other things, the revised requirements imposed emission reduction measures on natural gas processing plants and other oil and gas operations, added reduced emission completion standards applicable to hydraulically fractured gas wells and established maximum achievable control technology standards for certain glycol dehydrators and storage vessels. These requirements will result in increased operating and compliance costs and increased regulatory burdens.

The liabilities and expenditures of the EXCO/HGI Partnership relating to environmental matters could have a material adverse effect on the EXCO/HGI Partnership’s results of operations, cash flows and financial condition.

**The EXCO/HGI Partnership may experience a financial loss if any of its significant customers fail to pay it for its oil or natural gas.**

The EXCO/HGI Partnership’s ability to collect the proceeds from the sale of oil and natural gas from its customers will depend on the payment ability of its customer base, which includes several significant customers. If any one or more of its significant customers fails to pay it for any reason, the EXCO/HGI Partnership could experience a material loss. In addition, in recent years, it has become more difficult for oil and gas producers to maintain and grow a customer base of creditworthy customers because a number of energy marketing and trading companies have discontinued their marketing and trading operations, which has significantly reduced the number of potential purchasers for oil and natural gas production. As a result, the EXCO/HGI Partnership may experience a material loss as a result of the failure of its customers to pay it for prior purchases of its oil or natural gas.

**Competition in the EXCO/HGI Partnership’s industry is intense and it may be unable to compete in acquiring properties, contracting for drilling equipment and hiring experienced personnel.**

The oil and natural gas industry is highly competitive. We anticipate that the EXCO/HGI Partnership will encounter strong competition from other independent operators and from major oil companies in acquiring properties, contracting for drilling equipment and securing trained personnel. Many of these competitors have financial and technical resources and headcount substantially larger than the EXCO/HGI Partnership’s. As a result, the EXCO/HGI Partnership’s competitors may be able to pay more for desirable leases, or to evaluate, bid for and purchase a greater number of properties or prospects than the EXCO/HGI Partnership’s financial or personnel resources will permit. The oil and natural gas industry has periodically experienced shortages of drilling rigs, equipment, pipe and personnel, which has delayed development drilling and other exploitation activities and has caused significant expense/cost increases. The EXCO/HGI Partnership may experience difficulties in obtaining drilling rigs and other services in certain areas as well as an increase in the cost for these services and related material and equipment. We are unable to predict when, or if, such shortages may again occur or how such shortages and price increases will affect the EXCO/HGI Partnership’s development and exploitation program. Although EXCO Parent will provide certain operating and administrative services to us, competition has also been strong in hiring experienced personnel, particularly in petroleum engineering, geoscience, accounting and financial reporting, tax and land professions. In addition, competition is strong for attractive oil and natural gas producing properties, oil and natural gas companies, and undeveloped leases and drilling rights. The EXCO/HGI Partnership may be outbid by competitors in its attempts to acquire properties or companies. All of these challenges could make it more difficult to execute the EXCO/HGI Partnership’s growth strategy.

**If pipelines or other facilities interconnected to the EXCO/HGI Partnership’s gathering and transportation pipelines become unavailable to transport or process natural gas, the EXCO/HGI Partnership’s revenues and cash flow could be adversely affected.**

The EXCO/HGI Partnership is expected to contract with TGGT Holdings, LLC (“TGGT”), an affiliate of EXCO Parent and another third party, and other third parties to obtain access to pipelines and other facilities for the gathering and transportation of its oil and natural gas. Much of the natural gas transported by the EXCO/HGI Partnership’s pipelines must be treated or processed before delivery into a pipeline for natural gas. If the processing and treating plants to which the EXCO/HGI Partnership delivers natural gas were to become temporarily or permanently unavailable for any reason, or if throughput were reduced because of testing, line repair, damage to pipelines, reduced operating pressures, lack of capacity or other causes, the EXCO/HGI Partnership’s customers would be unable to deliver natural gas to end markets. For example, in the second quarter of 2011, we understand that an incident occurred at a TGGT amine treating facility in northwest Red River Parish, Louisiana resulting in an immediate shut-down of the facility. If any similar events occur, they could materially and adversely affect the EXCO/HGI Partnership’s results of operations, cash flows and financial condition.

**The EXCO/HGI Partnership will operate in a litigious environment.**

The EXCO/HGI Partnership will operate in a litigious environment in which any constituent could bring suit regarding existing or planned operations of the EXCO/HGI Partnership or allege a violation of an existing contract or applicable law. Any such action could delay when planned operations can actually commence or could cause a halt to existing production until such alleged violations are resolved by the courts. Not only could the EXCO/HGI Partnership incur significant legal and support expenses in defending its rights, but halting existing production or delaying planned operations could impact its future operations and financial condition. Such legal disputes can also distract management and other personnel from their primary responsibilities.

**The EXCO/HGI Partnership's business could be negatively impacted by security threats, including cybersecurity threats, and other disruptions.**

As an oil and natural gas producer, the EXCO/HGI Partnership will face various security threats, including cybersecurity threats to gain unauthorized access to sensitive information or to render data or systems unusable; threats to the safety of the EXCO/HGI Partnership's or EXCO Parent's management and other personnel; threats to the security of the EXCO/HGI Partnership's facilities and infrastructure or third party facilities and infrastructure, such as processing plants and pipelines; and threats from terrorist acts. Although the EXCO/HGI Partnership plans to utilize various procedures and controls to monitor these threats and mitigate its exposure to such threats, there can be no assurance that these procedures and controls will be sufficient in preventing security threats from materializing. If any of these events were to materialize, they could lead to losses of sensitive information, critical infrastructure, personnel or capabilities, essential to the EXCO/HGI Partnership's operations and could have a material adverse effect on its reputation, financial position, results of operations, or cash flows. Cybersecurity attacks in particular are evolving and include but are not limited to, malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. These events could damage the EXCO/HGI Partnership's reputation and lead to financial losses from remedial actions, loss of business or potential liability.

**Independent Auditors' Report**

The Board of Directors and Stockholders  
EXCO Resources, Inc.:

We have audited the accompanying statements of revenues and direct operating expenses of EXCO Resources, Inc.'s Certain Conventional Oil and Natural Gas Properties (the Properties or the Company) for the years ended December 31, 2011, 2010, and 2009. These statements of revenues and direct operating expenses are the responsibility of EXCO Resources, Inc.'s management. Our responsibility is to express an opinion on these statements of revenues and direct operating expenses based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements of revenues and direct operating expenses are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statements of revenues and direct operating expenses, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of revenues and direct operating expenses presentation. We believe that our audits provide a reasonable basis for our opinion.

The accompanying statements of revenues and direct operating expenses referred to above were prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission. The statements of revenues and direct operating expenses are not intended to be a complete presentation of the revenues and expenses for the Properties.

In our opinion, the statements of revenues and direct operating expenses referred to above present fairly, in all material respects, the revenues and direct operating expenses of EXCO Resources, Inc.'s Certain Conventional Oil and Natural Gas Properties for the years ended December 31, 2011, 2010, and 2009 in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP  
Dallas, Texas  
December 6, 2012



**EXCO Resources, Inc.**  
**Certain Conventional Oil and Natural Gas Properties**  
**Statements of Revenues and Direct Operating Expenses**  
**Years ended December 31, 2011, 2010 and 2009 and**  
**Nine months ended September 30, 2012 and 2011 (Unaudited)**

<u>(amounts in thousands)</u>	<u>Year ended December 31,</u>			<u>Nine months ended</u>	<u>Nine months ended</u>
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>September 30,</u>	<u>September 30,</u>
				<u>2012</u>	<u>2011</u>
				<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>Revenues</b>					
Oil and natural gas revenues	\$224,302	\$242,273	\$299,337	\$ 118,922	\$ 174,207
<b>Direct operating expenses:</b>					
Lease operating expenses	56,465	61,143	74,581	33,700	41,031
Severance and ad valorem taxes	19,733	21,813	26,603	14,324	16,109
Gathering and treating expenses	13,293	17,642	26,951	9,838	10,280
Total direct operating expenses	<u>89,491</u>	<u>100,598</u>	<u>128,135</u>	<u>57,862</u>	<u>67,420</u>
Excess of revenues over direct operating expenses	<u>\$ 134,811</u>	<u>\$ 141,675</u>	<u>\$ 171,202</u>	<u>\$ 61,060</u>	<u>\$ 106,787</u>

See accompanying notes to statements of revenues and direct operating expenses.

**EXCO Resources, Inc.**  
**Certain Conventional Oil and Natural Gas Properties**  
**Notes to Statement of Revenues and Direct Operating Expenses**  
**Years ended December 31, 2011, 2010 and 2009**

**Note 1. Basis of Presentation**

The accompanying historical statements of revenues and direct operating expenses present the revenues less direct operating expenses of certain shallow conventional non-shale oil and natural gas properties owned by EXCO Resources, Inc., or EXCO, EXCO Operating Company, Inc., or EOC, and Vernon Gathering, LLC, each of which are wholly owned subsidiaries of EXCO, and hereinafter collectively referred to as the Partnership Properties, to a newly formed partnership entity, EXCO/HGI JV Assets, LLC, or the Partnership.

Terms of the transaction are set forth in a Unit Purchase and Contribution Agreement, or UPCA, dated November 5, 2012 between EXCO and its aforementioned subsidiaries and HGI Energy Holdings, LLC, a wholly owned subsidiary of Harbinger Group Inc., or HGI. In exchange for the contribution of the Partnership Properties, at closing, EXCO will receive cash consideration of \$597.5 million, subject to customary purchase price adjustments to reflect an effective date of July 1, 2012, a 25.5% limited partner interest in the Partnership and a 50% interest in the general partner of the Partnership. The remaining 74.5% of the Partnership will be owned by HGI.

The transaction contemplated by the UPCA is subject to customary pre and post-closing adjustments, including expiration or early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, customary title and environmental reviews, closing conditions and regulatory approvals, and is expected to close in early 2013.

The historical statements of revenues and direct operating expenses of the Partnership Properties are presented in order to comply with the rules and regulations of the Securities and Exchange Commission for businesses acquired or probable to be acquired. These statements were prepared from the historical accounting records of EXCO.

Since separate historical financial statements in accordance with accounting principles generally accepted in the United States of America, or GAAP, have never been prepared for the Partnership Properties, certain indirect expenses, as further described in Note 4. Excluded Expenses, were not allocated to the Partnership Properties and have been excluded from the accompanying statements. Any attempt to allocate these expenses would require significant and judgmental allocations, which would be arbitrary and would not be indicative of the performance of the properties on a stand-alone basis. Accordingly, the financial statements required under Rule 3-05 of Securities and Exchange Commission Regulation S-X (balance sheet, income statement, cash flow and statement of stockholders' equity) prepared in accordance GAAP are not presented and these statements of revenues and direct operating expenses do not represent a complete set of financial statements reflecting financial position, results of operations, partners' equity and cash flows of the Partnership Properties and are not necessarily indicative of the results of operations for the Partnership Properties going forward.

## **Note 2. Significant Accounting Policies**

### ***Use of Estimates***

GAAP requires management to make estimates and assumptions that affect the amounts reported in the statements of revenues and direct operating expenses. Actual results could be different from those estimates.

### ***Revenue Recognition***

Oil and natural gas revenues reflect the sales method of accounting. Under the sales method, revenues are recognized based on actual volumes of oil and natural gas sold to purchasers. There were no significant imbalances with other revenue interest owners attributable to the Partnership Properties during any of the periods presented in these statements.

### ***Direct Operating Expenses***

Direct operating expenses are recognized on an accrual basis and consist of direct expenses of operating the Partnership Properties. The direct operating expenses include lease operating expenses, gathering and treating costs and production and other tax expenses.

- Lease operating expenses include lifting costs, well repair expenses, surface repair expenses, well workover costs, and other field expenses. Lease operating expenses also include expenses directly associated with support personnel, support services, equipment, and facilities directly related to oil and natural gas production activities.
- Gathering and transportation expenses include the costs to gather and transport oil and natural gas. There are two types of agreements in which oil and gas are sold, both of which include a transportation charge. One is a netback arrangement, under which the Proposed Partnership will sell oil or natural gas at the wellhead and collect a price, net of the transportation incurred by the purchaser. In this case, the sales at the price received from the purchaser will be reported net of the transportation costs. Under the other arrangement, the Proposed Partnership will sell oil or natural gas at a specific delivery point, pay transportation to a third party and receive proceeds from the purchaser with no transportation deduction. In this case, the transportation costs are recorded as gathering and transportation expense. Due to these two distinct selling arrangements, computed realized prices, before the impact of derivative financial instruments, include revenues which are reported under two separate bases.
- Production and other taxes consist of severance and ad valorem taxes.

## **Note 3. Contingencies**

The activities of the Partnership Properties are subject to potential claims and litigation in the normal course of operations. EXCO management does not believe that any liability resulting from any pending or threatened litigation will have a materially adverse effect on the operations or financial results of the Partnership Properties.

## **Note 4. Excluded Expenses**

Prior to the formation of the Partnership, the Partnership Properties were part of a larger organization where indirect general and administrative expenses, interest, income taxes, and other indirect expenses were not allocated to the Partnership Properties and have therefore been excluded from the accompanying statements of revenues and direct operating expenses. In addition, such indirect expenses are not indicative of costs which would have been incurred by the Partnership Properties on a stand-alone basis.

Also, depreciation, depletion and amortization and accretion of discounts attributable to asset retirement obligations have been excluded from the accompanying statements of revenues and direct operating expenses as such amounts would not necessarily be indicative of those expenses which would have been incurred based on the amounts to be allocated to the oil and gas properties in connection with the formation of the Partnership and contributions of assets and cash by the Partnership equity holders.

**Note 5. Related Parties**

EXCO has an equity investment in TGGT Holdings, LLC, or TGGT, which provides gathering and treating services to certain Partnership Properties. In addition, TGGT also purchases natural gas from certain Partnership Properties. For the twelve months ended December 31, 2011, 2010 and 2009, EXCO paid to TGGT approximately \$6.0 million, \$9.4 million and \$24.8 million, respectively, in gathering and treating fees related to the Partnership Properties and TGGT purchased approximately \$27.9 million, \$33.2 million and \$1.7 million of gas produced by the Partnership Properties for the twelve months ended December 31, 2011, 2010 and 2009.

**Note 6. Subsequent events**

We have evaluated our activity after December 31, 2011 until the date of issuance of our statements of revenue and direct operating expenses on December 6, 2012, and are not aware of any events that have occurred subsequently to December 31, 2011 that would require adjustments to or disclosures in the statements.

**Note 7. Supplemental Information Relating to Oil and Natural Gas Producing Activities (Unaudited)*****Estimated Quantities of Proved Reserves***

Independent engineering firms are retained to provide annual year-end estimates of future net recoverable oil and natural gas reserves. The estimated proved net recoverable reserves shown below include only those quantities that are expected to be commercially recoverable at prices and costs in effect at the balance sheet dates under existing regulatory practices and with conventional equipment and operating methods. Proved Developed Reserves represent only those reserves that might be recovered through existing wells. Proved Undeveloped Reserves include those reserves that might be recovered from new wells on undrilled acreage or from existing wells on which we must make a relatively major expenditure for recompletion or secondary recovery operations. All of the reserves are located onshore in the continental United States of America.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of our oil and natural gas properties. Estimates of fair value should also consider unproved reserves, anticipated future oil and natural gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is subjective and imprecise.

The following table sets forth estimates of the proved oil and natural gas reserves (net of royalty interests) and changes therein, for the Partnership Properties for the periods indicated.

<u>(amounts in thousands)</u>	<u>Oil (Bbls)</u>	<u>Natural Gas (Mcf)</u>	<u>Mcf (1)</u>
<b>January 1, 2009</b>	7,509	873,564	918,618
Production	(779)	(64,358)	(69,032)
Extensions and discoveries	183	32,288	33,386
Revisions of previous estimates			
Changes in performance and costs	(724)	(102,243)	(106,587)
Changes in performance and other factors	(383)	(54,013)	(56,311)
Purchases of proved reserves in place	—	218	218
Sales of proved reserves in place	<u>(1,071)</u>	<u>(183,879)</u>	<u>(190,305)</u>
<b>December 31, 2009</b>	4,735	501,577	529,987
Production	(629)	(42,118)	(45,892)
Extensions and discoveries	1,616	26,024	35,720
Revisions of previous estimates:			
Changes in prices and costs	635	68,499	72,309
Changes in performance and other factors	670	72,263	76,283
Purchases of proved reserves in place	—	96	96
Sales of proved reserves in place	<u>—</u>	<u>—</u>	<u>—</u>
<b>December 31, 2010</b>	7,027	626,341	668,503
Production	(690)	(35,614)	(39,754)
Extensions and discoveries	912	7,722	13,194
Revisions of previous estimates:			
Changes in prices and costs	(794)	(133,428)	(138,192)
Changes in performance and other factors	(302)	(50,735)	(52,547)
Purchases of proved reserves in place	—	4,672	4,672
Sales of proved reserves in place	<u>—</u>	<u>—</u>	<u>—</u>
<b>December 31, 2011</b>	<u>6,153</u>	<u>418,958</u>	<u>455,876</u>
<b>December 31, 2009:</b>			
Proved developed reserves	2,896	419,854	437,230
Proved undeveloped reserves	1,839	81,723	92,757
<b>Total proved reserves</b>	<u>4,735</u>	<u>501,577</u>	<u>529,987</u>
<b>December 31, 2010:</b>			
Proved developed reserves	4,330	482,307	508,287
Proved undeveloped reserves	2,697	144,034	160,216
<b>Total proved reserves</b>	<u>7,027</u>	<u>626,341</u>	<u>668,503</u>
<b>December 31, 2011:</b>			
Proved developed reserves	4,364	400,364	426,548
Proved undeveloped reserves	1,789	18,594	29,328
<b>Total proved reserves</b>	<u>6,153</u>	<u>418,958</u>	<u>455,876</u>

(1) Mcfe – one thousand cubic feet equivalent calculated by converting one Bbl of oil to six Mcf of natural gas.

#### **Standardized Measure of Discounted Future Net Cash Flows**

Summarized below is the Standardized Measure related to the Partnership Properties proved oil, natural gas reserves. The following summary is based on a valuation of proved reserves using discounted cash flows based on prices as prescribed by the SEC, costs and economic conditions and a 10% discount rate. The additions to proved reserves from the purchase of reserves in place, and new discoveries and extensions could vary significantly from year to year; additionally, the impact of changes to reflect current prices and costs of reserves proved in prior years could also be significant. Accordingly, the present value of future net cash flows does not purport to be an

estimate of the fair market value of the Partnership Properties proved reserves, nor should it be indicative of any trends. An estimate of fair value would also take into account, among other things, anticipated changes in future prices and costs, the expected recovery of reserves in excess of proved reserves and a discount factor more representative of the time value of money, and the risks inherent in producing oil and natural gas.

The following table sets forth estimates of the standardized measure of discounted future net cash flows from proved reserves of oil and natural gas for the periods indicated.

(amounts in thousands)

<b>Year ended December 31, 2009</b>	
Estimated future cash inflows	\$ 1,936,212
Future development costs	(286,305)
Future production costs	<u>(843,671)</u>
Future net cash flows	806,236
Discount of future net cash flows at 10%	<u>(374,995)</u>
Standardized measure of discounted future net cash flows	<u>\$ 431,241</u>
<b>Year ended December 31, 2010</b>	
Estimated future cash inflows	\$ 3,421,997
Future development costs	(449,293)
Future production costs	<u>(1,537,209)</u>
Future net cash flows	1,435,495
Discount of future net cash flows at 10%	<u>(764,251)</u>
Standardized measure of discounted future net cash flows	<u>\$ 671,244</u>
<b>Year ended December 31, 2011</b>	
Estimated future cash inflows	\$ 2,655,911
Future development costs	(225,688)
Future production costs	<u>(1,236,551)</u>
Future net cash flows	1,193,672
Discount of future net cash flows at 10%	<u>(552,664)</u>
Standardized measure of discounted future net cash flows	<u>\$ 641,008</u>

Capital expenditures for the Partnership Properties were \$60.8 million, \$110.0 million and \$123.8 million for the years ended December 31, 2011, 2010 and 2009, respectively.

The following table sets forth the changes in standardized measure of discounted future net cash flows relating to proved oil and natural gas reserves attributable to the Partnership Properties for the periods indicated.

<u>(amounts in thousands)</u>	<u>Year ended December 31, 2011</u>	<u>Year ended December 31, 2010</u>	<u>Year ended December 31, 2009</u>
<b>Standardized measure – beginning of year</b>	<b>\$ 671,244</b>	<b>\$ 431,241</b>	<b>\$1,324,036</b>
Sales and transfers of oil and natural gas produced (net of production costs)	(134,811)	(141,675)	(171,202)
Net change in prices and productions costs	59,592	189,928	(680,736)
Extensions and discoveries, net of future development and production costs	45,574	57,396	28,328
Previously estimated development costs incurred	18,358	45,803	74,817
Changes in estimated future development costs	182,803	(88,356)	211,484
Revisions of previous quantity estimates	(172,538)	137,640	(254,892)
Purchase of reserves in place	3,851	78	192
Sales of reserves in place	—	—	(227,479)
Accretion of discount	69,275	45,417	133,788
Other	(102,340)	(6,228)	(7,095)
Change for the year	(30,236)	240,003	(892,795)
<b>Standardized measure – End of Period</b>	<b>\$ 641,008</b>	<b>\$ 671,244</b>	<b>\$ 431,241</b>

## Business Description of HHI

HHI is a leading U.S. provider of residential locksets and builder's hardware, and a leading provider of faucets.

On a global basis HHI is one of the largest producers of tubular residential locksets, producing and selling over 36 million locksets annually (with a production of about 154,000 locks per day). HHI offers a broad range of innovative, high quality products across a variety of price points and geographies.

Headquartered in Lake Forest, California, HHI has sales offices and distribution centers in the U.S., Canada, Mexico, and Asia. HHI has over 4,500 total customers serving over 40,000 ship-to locations, including retailers, non-retail distributors and homebuilders. HHI's two primary customers include The Home Depot, Inc. ("The Home Depot") and Lowe's Companies, Inc. ("Lowe's"), accounting for 45% of sales.

**HHI Products***Residential Locksets*

HHI provides a broad range of residential locksets and door hardware, including knobs, levers, deadbolts, handlesets and electronics. HHI offers its security hardware under three main brands, Kwikset, Weiser and Baldwin. On a global basis HHI is one of the largest producers of tubular residential locksets, producing and selling over 36 million locksets annually, over 50 million when including the TLM Residential Business. Kwikset includes opening to mid-price point residential door hardware sold primarily in the U.S. retail and wholesale channels. Products are offered under the three brands Safe Lock, Kwikset and Kwikset Signature Series. Weiser offers opening to mid-price point residential door hardware sold primarily in the Canadian retail and wholesale channels. Baldwin offers high price point luxury hardware sold globally through the showroom and lumber yard channels.

For the LTM period ended June 30, 2012, sales of door hardware and security products (excluding TLM) represented approximately 61% of total net sales, or \$571.0 million.

*Builder's Hardware*

HHI also offers other hardware products that include hinges, security hardware, screen and storm door products, garage door hardware, window hardware and floor protection under the Stanley and National Hardware brand names throughout the U.S. and Canada. Although the product line is largely harmonized between the brands, the dual branding approach has been utilized to protect legacy business with key customers and avoid channel conflict. Additionally, in some cases the products are dual branded in order to reduce SKU count. HHI maintains strong relationships with leading independent, two step and co-op retail store chains through its direct sales force that manages shelf stock inventory and replenishment orders.

For the LTM period ended June 30, 2012, sales of builders' hardware products represented approximately 19% of total net sales, or \$181.7 million.

*Faucets*

HHI provides kitchen, bath, shower, faucets and other plumbing products through its Pfister brand. Pfister is recognized for bringing showroom styles to the mass market at affordable prices and offers a lifetime warranty on all of its products.



For the LTM period ended June 30, 2012, sales of plumbing products represented approximately 20% of total net sales, or \$186.5 million.

### *Manufacturing Overview*

HHI has a global manufacturing footprint with 9 facilities in the U.S., China, Mexico and the Asia-Pacific region, in addition to several key supplier relationships. In general, high labor content processes are located in low-cost labor regions, with higher automation processes being located closer to the end customer. Each facility is primarily focused on a specific business unit. However there are several interdependencies between facilities.

The facilities are supported by several centralized functions such as productivity, sourcing, transportation, supply chain, quality, human resources and manufacturing engineering.

### *Brands*

HHI has a broad range of brands and product offerings that meet consumer needs across a variety of price points and geographies. HHI has both lower priced point products as well as well recognized, prestige brands.

HHI offers its products under five main brands: Kwikset, accounting for \$409 million of 2011 sales, Weiser with \$65 million in sales, Baldwin with \$64 million in sales, Stanley/National Hardware with \$153 million in sales, and Pfister with \$197 million in sales. The remaining sales are under certain less significant brands.

Kwikset includes opening to mid priced point residential door hardware sold primarily in the U.S. retail and wholesale channels. Products are offered under the three brand names of Safe Lock, Kwikset and Kwikset Signature Series. Weiser offers opening to mid price point residential door hardware sold primarily in the Canadian retail and wholesale channels. Baldwin offers high price point luxury door hardware sold globally through the showroom and lumber yard channels, with limited retail presence.

Stanley and National hardware are sold throughout the U.S. and Canada in the retail channels, and are sold under the Stanley and the National Hardware brand names. Although the product line is largely harmonized between the brands, the dual branding approach has protected legacy business with key customers while avoiding channel conflict. In some cases, the products are dual branded to reduce SKU count.

Pfister has a broad range of product offerings and platforms tailored to meet consumer needs across a variety of price points and geographies. HHI also offers a select range of specialized and international brands such as Safe Lock, Fanal, Geo by Black & Decker, Stanley and Fortis.

### **Suppliers**

The Plumbing segment has one key supplier partner, Lota, a longtime supplier which provides contract manufacturing services to Pfister. In business for over 25 years, Lota is one of the largest faucet contract manufacturers in the world. Lota's primary faucet manufacturing location is in Xiamen, China. Lota operates under a contract specifying quality, service and cost ranges for a 12-month period. While this company provides a significant amount of Pfister products, all of the major product platforms (including the chassis on which the faucets are based) can be produced at multiple locations externally and internally, for example at HHI's Xiamen, China manufacturing facility.

## **Customers**

HHI's customer base is well diversified with no single customer accounting for more than 25% of total fiscal year 2011 revenue, and the top ten customers represented 58% and 76% of fiscal year 2011 revenue for the security and hardware and plumbing segments, respectively. HHI has a proven history of attracting and retaining the highest quality customers across the entire platform. For example, HHI has maintained relationships with big box retailers such as The Home Depot and Lowe's for more than three decades.

## **Sales and Distribution**

HHI employs a large direct sales team across all brands and channels it serves. It also uses indirect sales agencies where HHI's strategy requires a broader model. Pfister also has hospitality national account managers who primarily focus on working with key architects, designers and property management firms. Once a hospitality account is won, the projects are serviced and maintained by a territory manager who sits within the field sales team. In addition to a base salary, sales staff at HHI receives incentive compensation which is based on both net sales and margin achieved.

The retail and maintenance repair & operations sales team within retail sales is comprised of directors and national account managers who call on the major customers in these channels. For the largest customers, such as The Home Depot and Lowe's, the directors are solely focused on those specific businesses while the national account managers are often responsible for multiple customers. In addition, HHI has a retail field operations team that is focused on brand and event marketing, product training, regional account support and store level execution.

In addition, HHI has a sales and customer support team exclusively dedicated to serving The Home Depot and Lowe's, comprised of employees focusing on sales and employees focusing on Collaborative Planning Forecasting and Replenishment ("CPFR"). The CPFR team works directly with these two customers to determine their demand needs and manages the communication back into HHI's supply chain.

Some of HHI's international sales and distribution functions are currently a shared resource with other Stanley Black & Decker business units. Similar to the U.S. model, Canada sales directors call on the major retail accounts, The Home Depot and Lowe's, and a field sales team covers non-retail customers. In most other markets, the primary customer base is comprised of small "mom and pop" home improvement locations that are serviced by local wholesale distribution.

## **Marketing**

HHI's marketing strategy aims to improve preference for its brands by enhancing the customer experience, investing in new product development and delivering impactful, effective brand marketing. The product marketing team for the international channel is based in Lake Forest, CA and is complemented by local resources as required.

HHI consistently invests in both customer and consumer marketing. The investments vary by brand, product category and region, and are designed to maximize brand presence, market impact and return on investment. The total marketing budget in 2011 was \$13 million, representing 1.4% of net sales. The breakdown by region is illustrated in the table below.

---

**Competition**

Competition within the industry varies based on location as well as product segment. The main source of competition for locks includes other third party manufacturers such as Schlage, a division of Ingersoll-Rand and private label import brands such as Defiant and Gatehouse.

Pfister's major U.S. competitors are Masco, Fortune Brands, Kohler, and American Standard. Glacier Bay and AquaSource are The Home Depot and Lowe's private label brands, respectively.

**Employees**

As of July 2012, HHI employed 6,272 employees. None of HHI's employees are under collective bargaining arrangements or labor unions.

**Legal, Environmental and Insurance**

HHI is involved in various legal matters arising in the normal course of business.

HHI is subject to complex and increasingly stringent foreign, federal, state and local laws, regulations and permits governing the protection of the environment and human health and safety. HHI incurs significant costs to comply with such requirements and could be subject to fines, penalties or other sanctions if it violates such laws, regulations or permit terms. HHI also could be held responsible for costs arising from any contamination relating to its current or former properties or third party waste disposal sites, even if it was not at fault. In addition to potentially significant investigation and remediation costs, any such contamination can give rise to third party claims for fines or penalties, natural resource damages, personal injury or property damage.

## Risks Related to the Hardware Acquisition

### **Spectrum Brands may not realize the anticipated benefits of the Hardware Acquisition.**

The Hardware Acquisition involves the integration of two companies that have previously operated independently. The integration of Spectrum Brands' operations with those of HHI is expected to result in financial and operational benefits, including increased top line growth, margins, revenues and cost savings and be accretive to earnings per share, earnings before interest, taxes, depreciation and amortization and free cash flow before synergies. There can be no assurance, however, regarding when or the extent to which Spectrum Brands will be able to realize these increased top line growth, margins, revenues, cost savings or accretions to earnings per share, earnings before interest, taxes, depreciation and amortization or free cash flow or other benefits. Integration may also be difficult, unpredictable, and subject to delay because of possible company culture conflicts and different opinions on technical decisions and product roadmaps. Spectrum Brands must integrate or, in some cases, replace, numerous systems, including those involving management information, purchasing, accounting and finance, sales, billing, employee benefits, payroll and regulatory compliance, many of which are dissimilar. In some instances, Spectrum Brands and HHI have served the same customers, and some customers may decide that it is desirable to have additional or different suppliers. Difficulties associated with integration could have a material adverse effect on Spectrum Brands' business.

### **HGI's operating results contributed by Spectrum Brands after the Hardware Acquisition may materially differ from the pro forma information presented in this offering circular.**

HGI's operating results contributed by Spectrum Brands after the Hardware Acquisition may be materially different from those shown in the pro forma information, which represents only a combination of our historical results with those of HHI. The merger, financing, integration, restructuring and transaction costs related to the Hardware Acquisition could be higher or lower than currently estimated, depending on how difficult it will be to integrate Spectrum Brands' business with that of HHI.

**At the First Closing Spectrum Brands will assume certain potential liabilities relating to the HHI Business.**

Following the First Closing, Spectrum Brands will have assumed certain potential liabilities relating to the HHI Business. To the extent Spectrum Brands has not identified such liabilities or to the extent the indemnifications obtained from Stanley Black & Decker are insufficient to cover known liabilities, these liabilities could have a material adverse effect on Spectrum Brands' business.

**Integrating Spectrum Brands' business with that of HHI may divert Spectrum Brands' management's attention away from operations.**

Successful integration of Spectrum Brands' and HHI's operations, products and personnel may place a significant burden on its management and other internal resources. The diversion of management's attention, and any difficulties encountered in the transition and integration process, could harm Spectrum Brands' business, financial conditions and operating results.

**Spectrum Brands will supply certain products and services to Stanley Black & Decker and its subsidiaries pursuant to the terms of certain supply agreements for a period of time after each of the First Closing and the Second Closing. Spectrum Brands' provision of products and services under these agreements will require Spectrum Brands to dedicate resources of the HHI Business and the TLM Residential Business and may result in liabilities to Spectrum Brands.**

Certain products and services currently used by Stanley Black & Decker are produced and provided using equipment of the HHI Business and the TLM Residential Business that Spectrum Brands will be acquiring or certain equipment belonging to Stanley Black & Decker and its subsidiaries that will continue to be located for a period of time after each of the First Closing and the Second Closing at facilities operated by the HHI Business and the TLM Residential Business and maintained by us pursuant to certain specifications. At each of the First Closing and the Second Closing, Spectrum Brands and Stanley Black & Decker will enter into supply agreements (each, a "Supply Agreement"), whereby Spectrum Brands will provide Stanley Black & Decker and its subsidiaries with certain of these products and services for a period of time. This will require Spectrum Brands to dedicate resources of the HHI Business and the TLM Residential Business towards the provision of these products and services and may result in liabilities to it. These Supply Agreements are an accommodation to Stanley Black & Decker and its subsidiaries as part of the Hardware Acquisition, and the pricing of the products and services is on terms more favorable to Stanley Black & Decker and its subsidiaries than it would be in the ordinary course of business.

**As a result of the Hardware Acquisition, Spectrum Brands may not be able to retain key personnel or recruit additional qualified personnel, which could materially affect its business and require it to incur substantial additional costs to recruit replacement personnel.**

Spectrum Brands is highly dependent on the continuing efforts of its senior management team and other key personnel. As a result of the Hardware Acquisition, Spectrum Brands' current and prospective employees could experience uncertainty about their future roles. This uncertainty may adversely affect Spectrum Brands' ability to attract and retain key management, sales, marketing and technical personnel. Any failure to attract and retain key personnel could have a material adverse effect on Spectrum Brands' business after consummation of the Hardware Acquisition. In addition, Spectrum Brands currently does not maintain "key person" insurance covering any member of its management team.

**General customer uncertainty related to the Hardware Acquisition could harm Spectrum Brands.**

Spectrum Brands' customers may, in response to the consummation of the Hardware Acquisition, delay or defer purchasing decisions. If Spectrum Brands' customers delay or defer purchasing decisions, its revenues could materially decline or any anticipated increases in revenue could be lower than expected.

**Spectrum Brands only has the right to use certain Stanley Black & Decker trademarks, brand names and logos for a limited period of time. If Spectrum Brands fails to establish in a timely manner a new, independently recognized brand name with a strong reputation, its revenue and profitability could decline.**

In connection with Spectrum Brands' acquisition of HHI, it received a limited right to use certain Stanley Black & Decker trademarks, brand names and logos in marketing its products and services for only five years. Pursuant to a transitional trademark license agreement, Stanley Black & Decker granted Spectrum Brands the right to use the "Stanley" and "Black & Decker" marks and logos, and certain other marks and logos, for up to five years after the First Closing in connection with certain products and services. When Spectrum Brands' right to use the Stanley Black & Decker trademarks, brand names and logos expires, it may not be able to maintain or enjoy comparable name recognition or status under its new brand. If Spectrum Brands is unable to successfully manage the transition of its business to its new brand, its reputation among its customers could be adversely affected, and its revenue and profitability could decline.

**Spectrum Brands will rely on Stanley Black & Decker and its subsidiaries to provide it with certain key services for its business pursuant to the terms of certain transition services agreements for limited transition periods. If Stanley Black & Decker and its subsidiaries fail to perform their obligations under these agreements or if Spectrum Brands does not find equivalent replacement services, Spectrum Brands may be unable to provide these services or implement substitute arrangements on a timely and cost-effective basis on terms favorable to it, or at all.**

Certain key services are currently provided to the HHI Business and the TLM Residential Business by Stanley Black & Decker and its subsidiaries, including services related to treasury, accounting, risk management, payroll, sourcing, sales and support, information technology, and employee benefit plans. At each of the First Closing and the Second Closing, Spectrum Brands and Stanley Black & Decker will enter into a Transition Services Agreement (each, a "Transition Services Agreement"), whereby Stanley Black & Decker and its subsidiaries will provide the HHI Business and the TLM Residential Business with certain of these key services for an initial transition period of generally six months, though the initial transition period of certain services is longer, and the provision of each service may be extended at an increased cost to Spectrum Brands. In some cases, such services will be provided on a more limited basis than the HHI Business and the TLM Residential Business had received previously. Spectrum Brands believes it is necessary for Stanley Black & Decker and its subsidiaries to provide these services to the HHI Business and the TLM Residential Business to facilitate the efficient operation of Spectrum Brands' business as it goes through the transition and integration process. Once the transition periods specified in the Transition Services Agreements have expired, or if Stanley Black & Decker and its subsidiaries fail to perform their obligations under the Transition Services Agreements, Spectrum Brands will be required to extend the provision of services under such agreements at an increased cost to it, to provide these services itself or to obtain substitute arrangements with third parties. After the applicable transition period, Spectrum Brands may be

unable to provide these services internally because of financial or other constraints or be unable to implement substitute arrangements on a timely and cost-effective basis on terms that are favorable to it, or at all.

**If Stanley Black & Decker is unable to acquire all the outstanding interests of TLM Taiwan, Spectrum Brands will not be able to acquire the TLM Residential Business.**

Spectrum Brands' acquisition of the TLM Residential Business will take place after the First Closing. Additionally, there are other conditions that must be satisfied in order for this acquisition to close, such as Stanley Black & Decker acquiring all of the outstanding interests of TLM Taiwan. There can be no assurances that these closing conditions will be met and that Spectrum Brands consummates the Second Closing.

**The consummation of the Hardware Acquisition is subject to certain conditions including, among others, required regulatory approvals, obtaining certain third party consents and other customary closing conditions, some of which are out of Spectrum Brands' control.**

The closing of the Hardware Acquisition is subject to certain conditions including, among others, obtaining required regulatory approvals, obtaining certain third party consents and other customary closing conditions, some of which are out of Spectrum Brands' control. The Second Closing will take place after the completion of the first closing and is subject to certain additional conditions, including among others, obtaining required regulatory approvals, the consummation of the acquisition by Stanley Black & Decker of all of the issued and outstanding shares of TLM Taiwan (with which Spectrum Brands has no involvement) and other customary closing conditions, some of which are out of Spectrum Brands' control. There is no guarantee that these conditions will be satisfied or that the Hardware Acquisition will be consummated.

**Failure to complete the Hardware Acquisition could, under certain circumstances, result in Spectrum Brands being required to pay a termination fee to Stanley Black & Decker.**

Stanley Black & Decker has certain termination rights under the HHI Acquisition Agreement that, if exercised by Stanley Black & Decker (subject to the satisfaction of certain specified requirements in the HHI Acquisition Agreement), may result in the payment by Spectrum Brands to Stanley Black & Decker of a termination fee. In the event that the debt financing required to consummate the Hardware Acquisition is not funded at the time the First Closing would otherwise occur pursuant to the HHI Acquisition Agreement, Spectrum Brands may be required (subject to the satisfaction of certain specified requirements in the Acquisition Agreement) to pay to Stanley Black & Decker a termination fee of \$56 million. In the event that the Hardware Acquisition is not consummated due to certain material breaches of the HHI Acquisition Agreement by Spectrum Brands, Spectrum Brands may be required (subject to the satisfaction of certain specified requirements in the Acquisition Agreement) to pay to Stanley Black & Decker a termination fee of \$78 million.

**HHI Financial Statements**  
**The HHI Group**

**Combined Balance Sheets**

	<b>December 31,</b>	<b>January 1,</b>
	<b>2011</b>	<b>2011</b>
	<i>(In Millions)</i>	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 44.8	\$ 47.7
Accounts receivable, net	108.1	93.1
Inventories, net	171.2	158.1
Prepaid expenses	4.2	7.7
Deferred taxes	22.4	23.0
Other current assets	2.7	2.6
Total current assets	353.4	332.2
Property, plant and equipment, net	110.7	107.3
Goodwill	573.6	583.3
Customer relationships, net	39.9	45.2
Trade names, net	110.7	119.5
Patents and technology, net	20.5	23.4
Affiliate notes receivable	33.5	21.6
Other assets	5.0	7.2
Total assets	\$ 1,247.3	\$1,239.7
<b>Liabilities and business equity</b>		
Current liabilities:		
Accounts payable	\$ 115.7	\$ 74.4
Current portion of affiliate debt	138.0	132.3
Accrued expenses	64.5	45.3
Total current liabilities	318.2	252.0
Long-term affiliate debt	273.7	373.9
Deferred taxes	45.7	45.5
Post-retirement benefits	27.3	24.7
Other liabilities	41.3	34.7
Commitments and contingencies (Notes Q and R)		
Business equity:		
Parent Company's net investment and accumulated earnings	514.5	466.6
Accumulated other comprehensive income	24.3	39.6
Parent Company's net investment and accumulated earnings and accumulated other comprehensive income	538.8	506.2
Non-controlling interest	2.3	2.7
Total business equity	541.1	508.9
Total liabilities and business equity	\$ 1,247.3	\$1,239.7

See notes to combined financial statements.



**The HHI Group**  
**Combined Statements of Operations**

	Fiscal Years Ended	
	December 31, 2011	January 1, 2011
	(In Millions)	
<b>Net sales:</b>		
Trade	\$ 942.9	\$ 849.1
Affiliate	32.1	15.1
Total net sales	975.0	864.2
<b>Costs and expenses:</b>		
Cost of sales – trade	639.6	604.0
Cost of sales – affiliate	30.1	13.8
Selling, general and administrative	189.8	178.8
Provision for doubtful accounts	0.8	0.1
Other affiliate income	(1.0)	(1.0)
Other – net	21.7	14.6
Restructuring charges	3.2	11.9
Interest expense – affiliate, net	42.7	41.9
Interest (income) expense – trade, net	(0.6)	3.9
Total costs and expenses	926.3	868.0
Earnings (loss) before income taxes	48.7	(3.8)
Income taxes (benefit)	12.3	(0.7)
Net earnings (loss)	36.4	(3.1)
Net income attributable to non-controlling interests	(0.6)	(0.4)
Net earnings (loss) attributable to Parent Company	\$ 35.8	\$ (3.5)

See notes to combined financial statements.

The HHI Group

Combined Statements of Cash Flows

	Fiscal Years Ended	
	December 31, 2011	January 1, 2011
	(In Millions)	
<b>Operating activities</b>		
Net earnings (loss) attributable to Parent Company	\$ 35.8	\$ (3.5)
Net income attributable to non-controlling interests	(0.6)	(0.4)
Net earnings (loss)	36.4	(3.1)
Adjustments to reconcile net earnings (loss) to cash provided by (used in) operating activities:		
Depreciation and amortization of property, plant and equipment	26.2	28.9
Asset impairment	—	0.9
Amortization of intangibles	17.0	13.3
Inventory step-up amortization	—	31.3
Provision for doubtful accounts	0.8	0.1
Deferred taxes	(6.2)	(22.5)
Changes in operating assets and liabilities:		
Accounts receivable	(16.7)	0.7
Inventories	(13.9)	(4.3)
Accounts payable	41.3	12.6
Prepaid expenses and other current assets	3.9	(14.6)
Other assets	2.0	2.7
Accrued expenses	19.0	(22.5)
Other liabilities	15.3	(27.4)
Net cash provided by (used in) operating activities	125.1	(3.9)
<b>Investing activities</b>		
Capital expenditures	(22.6)	(14.7)
Proceeds from sales of assets	0.1	0.6
Net cash used in investing activities	(22.5)	(14.1)
<b>Financing activities</b>		
Cash remitted to Parent	(749.7)	(651.5)
Cash received from Parent	751.0	755.4
Lending to affiliates through notes receivable	(11.8)	—
Repayments on affiliate debt	(94.7)	(77.7)
Net cash (used in) provided by financing activities	(105.2)	26.2
Effect of exchange rate changes on cash	(0.3)	1.7
(Decrease) increase in cash and cash equivalents	(2.9)	9.9
Cash and cash equivalents, beginning of year	47.7	37.8
Cash and cash equivalents, end of year	<u>\$ 44.8</u>	<u>\$ 47.7</u>

See notes to combined financial statements.

The HHI Group

Combined Statements of Changes in Business Equity

Fiscal Years Ended December 31, 2011 and January 1, 2011 (In Millions)

	Parent Company's Net Investment and Accumulated Earnings	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total Business Equity
Balance at January 3, 2010	\$ 486.3	\$ 16.7	\$ 2.3	\$505.3
Comprehensive income:				
Net income (loss)	(3.5)	—	0.4	(3.1)
Currency translation adjustment	—	24.7	—	24.7
Change in pension, net of tax	—	(1.8)	—	(1.8)
Total comprehensive income	(3.5)	22.9	0.4	19.8
Net transfers to the Parent	(16.2)	—	—	(16.2)
Balance at January 1, 2011	466.6	39.6	2.7	508.9
Comprehensive income:				
Net income	35.8	—	0.6	36.4
Currency translation adjustment	—	(13.2)	—	(13.2)
Change in pension, net of tax	—	(2.1)	—	(2.1)
Total comprehensive income	35.8	(15.3)	0.6	21.1
Dividends declared	(10.3)	—	(1.0)	(11.3)
Net transfers to the Parent	22.4	—	—	22.4
Balance at December 31, 2011	<u>\$ 514.5</u>	<u>\$ 24.3</u>	<u>\$ 2.3</u>	<u>\$541.1</u>

See Notes to combined financial statements.

## The HHI Group

### Notes to Combined Financial Statements

#### A. Nature of Activities and Basis of Presentation

##### Description of Business

On March 12, 2010, a wholly owned subsidiary of The Stanley Works was merged with and into the Black & Decker Corporation (“Black & Decker”), with the result that Black & Decker became a wholly owned subsidiary of The Stanley Works (the “Merger”). The combined company was thereafter renamed Stanley Black & Decker, Inc. (the “Parent”).

These financial statements combine the legacy Stanley National Hardware (“SNH”) operations with the legacy Black and Decker Hardware and Home Improvement (“HHI”) operations. The combined company, the HHI Group (hereinafter referred to as “the Company”), offers a broad range of door security hardware as well as residential products, including locksets and interior and exterior hardware. The Company’s brand names include Baldwin, Weiser, Kwikset, Stanley National Hardware, Fanal, Geo and Pfister. The Company is operated by a single management team.

Approximately half of the Company’s sales are in the retail channel, including 24% to The Home Depot and 21% to Lowes in 2011, and 22% to The Home Depot and 24% to Lowes in 2010. The remaining sales of the Company are in the non-retail or new construction channels. Further, approximately 87% of the Company’s revenues for fiscal years 2011 and 2010 are generated from the U.S. and Canada, with the remainder spread across Latin America and Asia.

##### Basis of Presentation

The results of operations and cash flows of HHI have been included in the Company’s combined financial statements from the time of the Merger on March 12, 2010 (see Note F, Merger). The combined financial statements include the accounts of the Company and its majority-owned subsidiaries which require consolidation, after the elimination of intercompany accounts and transactions. The Company’s fiscal year ends on the Saturday nearest to December 31. There were 52 weeks in the fiscal years 2011 and 2010.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. While management believes that the estimates and assumptions used in the preparation of the financial statements are appropriate, actual results could differ from these estimates.

## A. Nature of Activities and Basis of Presentation (continued)

### Corporate Allocations

The Combined Balance Sheets include the assets and liabilities attributable to the Company's operations. The Combined Statements of Operations includes certain allocated corporate expenses of the Parent attributable to the Company. These expenses include costs associated with legal, finance, treasury, accounting, human resources, employee benefits, insurance and stock-based compensation. Corporate costs are allocated on the basis of usage or another reasonable basis when usage is not identifiable. Management believes the assumptions and methodologies underlying the allocation of expenses are reasonable. Notwithstanding, the expenses allocated to the Company are not necessarily indicative of the actual level of expenses that would have been incurred if the Company had been an independent entity and had otherwise managed these functions. The following table summarizes the allocation of corporate expenses to specific captions within the Combined Statements of Operations.

	<u>2011</u>	<u>2010</u>
	<i>(In Millions)</i>	
Cost of sales – trade	\$ 5.0	\$ 4.7
Selling, general and administrative	24.4	21.8
Total corporate allocations	<u>\$29.4</u>	<u>\$26.5</u>

### Related Party Transactions

#### Affiliate Sales and Expenses

Transactions the Company had with affiliated companies owned by the Parent have been included in the Combined Statements of Operations. These sales and related costs may not be indicative of sales pricing or volume in the event the Company is sold. The following table summarizes affiliate sales transactions:

<u>Description</u>	<u>2011</u>	<u>2010</u>
	<i>(In Millions)</i>	
Affiliate sales	\$ 32.1	\$ 15.1
Affiliate cost of sales	30.1	13.8
Net gross margin on affiliate sales	2.0	1.3
Cost of sales – trade, mark-up on affiliate purchases	10.9	9.7
Net interest expense – affiliate	42.7	41.9
Other affiliate income	(1.0)	(1.0)
Net affiliate loss before provision for income taxes	<u>\$(50.6)</u>	<u>\$(49.3)</u>

The Company purchases certain products it sells from third party vendors through affiliate global purchasing agents of the Parent. The Combined Statements of Operations includes the affiliate mark-up arising from inventory purchase transactions between the Company and affiliates of the Parent. Mark-ups on affiliate purchases of \$10.9 million and \$9.7 million were included within cost of sales – trade in the Combined Statements of Operations for the fiscal years ended December 31, 2011 and January 1, 2011, respectively. The mark-up on affiliate purchase transactions is cash settled through the Parent's centralized cash management program and reduces the net cash provided by operating activities in the Combined Statements of Cash Flows.

Other affiliate income represents royalty fees the Company charges to an affiliate of the Parent. The other affiliate income is assumed to be cash settled, as described below, and consequently reduces the net cash provided by operating activities in the Combined Statements of Cash Flows.

## A. Nature of Activities and Basis of Presentation (continued)

### Cash Management and Business Equity

The Parent utilizes a centralized approach to cash management and financing of operations in the U.S. As a result of the Company's participation in the Parent's central cash management program, all the Company's U.S. cash receipts are remitted to the Parent and all cash disbursements are funded by the Parent. Other transactions with the Parent and related affiliates include purchases and sales and miscellaneous other administrative expenses incurred by the Parent on behalf of the Company. The net amount of any receivable from or payable to the Parent and other affiliates, with the exception of affiliate debt and notes receivable, are reported as a component of business equity. There are no terms of settlement or interest charges associated with the intercompany account balances. All transactions with the Parent and other related affiliates outside of the Company are considered to be effectively settled for cash in the Combined Statements of Cash Flows at the time the transaction is recorded.

An analysis of the cash transactions solely with the Parent follows:

	<u>2011</u>	<u>2010</u>
	<i>(In Millions)</i>	
Cash funding from Parent	<b>\$ 751.0</b>	\$ 755.4
Cash remitted to Parent	<b>(749.7)</b>	(651.5)
Taxes paid by Parent	<b>0.8</b>	13.9

### Affiliate Debt

A summary of the Company's affiliate debt arrangements at December 31, 2011 and January 1, 2011 and related party interest expense are shown below:

	<u>Interest Rate</u>	<u>2011</u>	<u>2010</u>
Affiliate notes payable due 2013	0.0% – 7.2%	<b>\$ 58.8</b>	\$ 77.8
Affiliate notes payable due 2015	10.8%	<b>319.9</b>	395.4
Affiliate notes payable on demand	2.0%	<b>33.0</b>	33.0
Total affiliate debt, including current maturities		<b>411.7</b>	506.2
Less: affiliate notes payable on demand classified as current		<b>(33.0)</b>	(33.0)
Less: principle payments due within 1 year for other notes payable		<b>(105.0)</b>	(99.3)
Long-term related party debt		<b>\$ 273.7</b>	<b>\$373.9</b>
Interest expense – affiliate, net		<b>\$ 42.7</b>	\$ 41.9

### Affiliate Notes Receivable

The Company has a variety of notes receivable agreements with affiliates of the Parent. These loans bear interest at fixed rates ranging from 0.9% to 2.5% and have maturity dates ranging from 2013 through 2015. Affiliate notes receivable were \$33.5 million and \$21.6 million at December 31, 2011 and January 1, 2011, respectively.

## B. Significant Accounting Policies

### Foreign Currency

For foreign operations with functional currencies other than the U.S. dollar, asset and liability accounts are translated at current exchange rates; income and expenses are translated using weighted-average exchange rates. Translation adjustments are reported in a separate component of business equity and exchange gains and losses on transactions are included in earnings.

### Cash Equivalents

Highly liquid investments with original maturities of three months or less are considered cash equivalents.

### Accounts Receivable

Trade receivables are stated at gross invoice amount less discounts, other allowances and provision for uncollectible accounts.

### Allowance for Doubtful Accounts

The Company estimates its allowance for doubtful accounts using two methods. First, a specific reserve is established for individual accounts where information indicates the customers may have an inability to meet financial obligations. Second, a reserve is determined for all customers based on a range of percentages applied to aging categories. These percentages are based on historical collection and write-off experience. Actual write-offs are charged against the allowance when collection efforts have been unsuccessful.

### Inventories

Certain U.S. inventories are valued at the lower of Last-In First-Out (“LIFO”) cost or market because the Company believes it results in better matching of costs and revenues. Other inventories are valued at the lower of First-In, First-Out (“FIFO”) cost or market primarily because LIFO is not permitted for statutory reporting outside the U.S. See Note D, Inventories, for a quantification of the LIFO impact on inventory valuation.

### Property, Plant and Equipment

The Company generally values property, plant and equipment, including capitalized software, at historical cost less accumulated depreciation and amortization. Costs related to maintenance and repairs which do not prolong the assets useful life are expensed as incurred. Depreciation and amortization are provided using straight-line methods over the estimated useful lives of the assets as follows:

	<u>Useful Life</u> <u>(Years)</u>
Land improvements	10 – 20
Buildings	40
Machinery and equipment	3 – 15
Computer software	3 – 5

Leasehold improvements are depreciated over the shorter of the estimated useful life or the term of the lease.

## **B. Significant Accounting Policies (continued)**

The Company reports depreciation and amortization of property, plant and equipment in cost of sales and selling, general and administrative expenses (“SG&A”) based on the nature of the underlying assets. Depreciation and amortization related to the production of inventory and delivery of services are recorded in cost of sales. Depreciation and amortization related to distribution center activities, selling and support functions are reported in SG&A.

The Company assesses its long-lived assets for impairment when indicators that the carrying values may not be recoverable are present. In assessing long-lived assets for impairment, the Company groups its long-lived assets with other assets and liabilities at the lowest level for which identifiable cash flows are generated (“asset group”) and estimates the undiscounted future cash flows that are directly associated with and expected to be generated from the use of and eventual disposition of the asset group. If the carrying value is greater than the undiscounted cash flows, an impairment loss must be determined and the asset group is written down to fair value. The impairment loss is quantified by comparing the carrying amount of the asset group to the estimated fair value, which is determined using weighted-average discounted cash flows that consider various possible outcomes for the disposition of the asset group.

### **Goodwill and Intangible Assets**

Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired businesses. Intangible assets acquired are recorded at estimated fair value. Goodwill and intangible assets deemed to have indefinite lives are not amortized, but are tested for impairment annually during the third quarter, and at any time when events suggest an impairment more likely than not has occurred. To assess goodwill for impairment, the Company determines the fair value of its reporting units, which are primarily determined using management’s assumptions about future cash flows based on long-range strategic plans. This approach incorporates many assumptions including future growth rates, discount factors and tax rates. In the event the carrying value of a reporting unit exceeded its fair value, an impairment loss would be recognized to the extent the carrying amount of the reporting unit’s goodwill exceeded the implied fair value of the goodwill.

Indefinite-lived intangible asset carrying amounts are tested for impairment by comparing to current fair market value, usually determined by the estimated cost to lease the asset from third parties. Intangible assets with definite lives are amortized over their estimated useful lives generally using an accelerated method. Under this accelerated method, intangible assets are amortized reflecting the pattern over which the economic benefits of the intangible assets are consumed. Definite-lived intangible assets are also evaluated for impairment when impairment indicators are present. If the carrying value exceeds the total undiscounted future cash flows, a discounted cash flow analysis is performed to determine the fair value of the asset. If the carrying value of the asset were to exceed the fair value, it would be written down to fair value. No goodwill or other intangible asset impairments were recorded during 2011 or 2010.

### **Interest Expense**

The Combined Statements of Operations included an allocation of \$4.5 million of interest expense associated with the Parent Company’s junior subordinated debt issued by The Stanley Works on November 22, 2005. The outstanding junior subordinated debt was paid by the Parent in December 2010. The debt has not been reflected in the Combined Financial Statements as the Company did not assume the debt nor has the Company guaranteed or pledged its assets as collateral for the debt.



## **B. Significant Accounting Policies (continued)**

### **Financial Instruments**

The Company participates in the Parent's centralized hedging functions which are primarily designed to minimize exposure on foreign currency risk. These hedging instruments are recorded in the financial statements of the Parent and as such, the effects of such hedging instruments are not reflected in the Combined Statements of Operations or Combined Balance Sheets. In 2010, HHI employed derivative financial instruments to manage risks, specifically commodity prices, which were not used for trading or speculative purposes. The Company recognizes these derivative instruments in the Combined Balance Sheets at fair value. Changes in the fair value of derivatives are recognized periodically either in earnings or in business equity as a component of other comprehensive income, depending on whether the derivative financial instrument is undesignated or qualifies for hedge accounting, and if so, whether it represents a fair value, cash flow, or net investment hedge. Changes in the fair value of derivatives accounted for as fair value hedges are recorded in earnings in the same caption as the changes in the fair value of the hedged items. Gains and losses on derivatives designated as cash flow hedges, to the extent they are effective, are recorded in other comprehensive income, and subsequently reclassified to earnings to offset the impact of the hedged items when they occur. In the event it becomes probable the forecasted transaction to which a cash flow hedge relates will not occur, the derivative would be terminated and the amount in other comprehensive income would generally be recognized in earnings.

### **Stock Based Compensation**

Certain employees of the Company have historically participated in the stock-based compensation plans of the Parent. The plans provide for discretionary grants of stock options, restricted stock units, and other stock-based awards. All awards granted under the plan consist of the Parent's common shares. As such, all related equity account balances remained at the Parent, with only the allocated expense for the awards provided to Company employees, as well as an allocation of expenses related to the Parent's corporate employees who participate in the plan, being recorded in the Combined Financial Statements.

Stock options are granted at the fair market value of the Parent's stock on the date of grant and have a 10-year term. Compensation cost relating to stock-based compensation grants is recognized on a straight-line basis over the vesting period, which is generally four years.

### **Revenue Recognition**

The Company's revenues result from the sale of tangible products, where revenue is recognized when the earnings process is complete, collectability is reasonably assured, and the risks and rewards of ownership have transferred to the customer, which generally occurs upon shipment of the finished product, but sometimes is upon delivery to customer facilities.

Provisions for customer volume rebates, product returns, discounts and allowances are recorded as a reduction of revenue in the same period the related sales are recorded. Consideration given to customers for cooperative advertising is recognized as a reduction of revenue except to the extent that there is an identifiable benefit and evidence of the fair value of the advertising, in which case the expense is classified as SG&A.

## **B. Significant Accounting Policies (continued)**

### **Cost of Sales and Selling, General and Administrative**

Cost of sales includes the cost of products and services provided reflecting costs of manufacturing and preparing the product for sale. These costs include expenses to acquire and manufacture products to the point that they are allocable to be sold to customers. Cost of sales is primarily comprised of inbound freight, direct materials, direct labor as well as overhead which includes indirect labor, facility and equipment costs. Cost of sales also includes quality control, procurement and material receiving costs as well as internal transfer costs. SG&A costs include the cost of selling products as well as administrative function costs. These expenses generally represent the cost of selling and distributing the products once they are available for sale and primarily include salaries and commissions of the Company's sales force, distribution costs, notably salaries and facility costs, as well as administrative expenses for certain support functions and related overhead.

### **Advertising Costs**

Television advertising is expensed the first time the advertisement airs, whereas other advertising is expensed as incurred. Advertising costs are classified in SG&A and amounted to \$15.8 million in 2011 and \$15.6 million in 2010. Expense pertaining to cooperative advertising with customers reported as a reduction of net sales was \$52.0 million in 2011 and \$60.0 million in 2010.

### **Sales Taxes**

Sales and value added taxes collected from customers and remitted to governmental authorities are excluded from Net sales reported in the Combined Statements of Operations.

### **Shipping and Handling Costs**

The Company generally does not bill customers for freight. Shipping and handling costs associated with inbound freight are reported in cost of sales. Shipping costs associated with outbound freight are reported as a reduction of net sales and amounted to \$24.6 million and \$23.5 million in 2011 and 2010, respectively. Distribution costs are classified as SG&A and amounted to \$35.7 million and \$32.4 million in 2011 and 2010.

### **Postretirement Defined Benefit Plan**

For Company-sponsored plans, the Company uses the corridor approach to determine expense recognition for each defined benefit pension and other postretirement plan. The corridor approach defers actuarial gains and losses resulting from variances between actual and expected results (based on economic estimates or actuarial assumptions) and amortizes them over future periods. For pension plans, these unrecognized gains and losses are amortized when the net gains and losses exceed 10% of the greater of the market-related value of plan assets or the projected benefit obligation at the beginning of the year. For other postretirement benefits, amortization occurs when the net gains and losses exceed 10% of the accumulated postretirement benefit obligation at the beginning of the year. For ongoing, active plans, the amount in excess of the corridor is amortized on a straight-line basis over the average remaining service period for active plan participants. For plans with primarily inactive participants, the amount in excess of the corridor is amortized on a straight-line basis over the average remaining life expectancy of inactive plan participants.

### **Income Taxes**

The Company's operations are included in separate income tax returns filed with the appropriate taxing jurisdictions, except for U.S. federal and certain state and foreign jurisdictions in which the Company's operations are included in the income tax returns of the Parent or an affiliate.

## **B. Significant Accounting Policies (continued)**

The provision for income taxes is computed as if the Company filed on a combined stand-alone or separate tax return basis, as applicable. The provision for income taxes does not reflect the Company's inclusion in the tax returns of the Parent or an affiliate. It also does not reflect certain actual tax efficiencies realized by the Parent in its combined tax returns that include the Company, due to legal structures it employs outside the Company. Certain income taxes of the Company are paid by the Parent or an affiliate on behalf of the Company. The payment of income taxes by the Parent or affiliate on behalf of the Company is recorded within Parent Company's net investment and accumulated earnings on the Combined Balance Sheets.

Deferred income taxes and related tax expense have been recorded by applying the asset and liability approach to the Company as if it was a separate taxpayer. Deferred tax liabilities and assets are recognized for the expected future tax consequences of events that have been reflected in the Combined Financial Statements. Deferred tax liabilities and assets are determined based on the differences between the book values and the tax bases of the particular assets and liabilities, using enacted tax rates and laws in effect for the years in which the differences are expected to reverse. A valuation allowance is provided when the Company determines that it is more likely than not that a portion of the deferred tax asset balance will not be realized.

The Company records uncertain tax positions in accordance with ASC 740 which requires a two step process, first management determines whether it is more likely than not that a tax position will be sustained based on the technical merits of the position and second, for those tax positions that meet the more likely than not threshold, management recognizes the largest amount of the tax benefit that is greater than 50 percent likely to be realized upon ultimate settlement with the related taxing authority. The Company maintains an accounting policy of recording interest and penalties on uncertain tax positions as a component of the income tax expense in the Combined Statements of Operations.

### **Subsequent Events**

The Company has evaluated all subsequent events through May 21, 2012, the date the financial statements were available to be issued.

### **New Accounting Standards**

In June 2011, the FASB issued ASU 2011-05, "Comprehensive Income (Topic 220)." This ASU revises the manner in which entities present comprehensive income in their financial statements. The new guidance removes the presentation options in ASC 220 and requires entities to report components of comprehensive income in either (1) a continuous statement of comprehensive income or (2) two separate but consecutive statements. The ASU does not change the items that must be reported in other comprehensive income. This ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. Effective January 1, 2012, the Company will adopt the requirements of this ASU.

In September 2011, the FASB issued ASU 2011-08, "Intangibles – Goodwill and Other (Topic 350) – Testing Goodwill for Impairment (revised standard)." The revised standard is intended to reduce the costs and complexity of the annual goodwill impairment test by providing entities an option to perform a "qualitative" assessment to determine whether further impairment testing is necessary. This ASU is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. The Company will consider this new guidance as it conducts its annual goodwill impairment testing in 2012.

### C. Accounts Receivable

	<u>2011</u>	<u>2010</u>
	<i>(In Millions)</i>	
Gross accounts receivable	<b>\$ 110.2</b>	\$94.6
Allowance for doubtful accounts	<b>(2.1)</b>	(1.5)
Accounts receivable, net	<b><u>\$ 108.1</u></b>	<u>\$93.1</u>

Trade receivables are dispersed among a large number of retailers, distributors and industrial accounts in many countries. Adequate reserves have been established to cover anticipated credit losses.

The Company was part of the Parent's accounts receivable sale program in fiscal 2010 and 2011. According to the terms of that program, the Parent is required to sell certain of its trade accounts receivables at fair value to a wholly owned, consolidated, bankruptcy-remote special purpose subsidiary ("BRS"). The BRS, in turn, must sell such receivables to a third-party financial institution ("Purchaser") for cash and a deferred purchase price receivable. The Purchaser's maximum cash investment in the receivables at any time is \$100.0 million. The purpose of the program is to provide liquidity to the Parent. These transfers are accounted for as sales under ASC 860 "Transfers and Servicing". Receivables are derecognized from the Combined Balance Sheets when the BRS sells those receivables to the Purchaser. The Company has no retained interests in the transferred receivables, other than collection and administrative responsibilities and its right to the deferred purchase price receivable. At December 31, 2011 and January 1, 2011, the Parent, as well as the Company, did not record a servicing asset or liability related to its retained responsibility, based on its assessment of the servicing fee, market values for similar transactions and its cost of servicing the receivables sold.

At January 1, 2011, \$2.6 million of net receivables were derecognized, with no amounts being derecognized at December 31, 2011, as the Company ended its participation in the program during the year. All cash flows under the program are reported as a component of changes in accounts receivable within operating activities in the Combined Statements of Cash Flows since all the cash from the Purchaser is either received upon the initial sale of the receivable; or from the ultimate collection of the underlying receivables and the underlying receivables are not subject to significant risks, other than credit risk, given their short-term nature.

### D. Inventories

	<u>2011</u>	<u>2010</u>
	<i>(In Millions)</i>	
Finished products	<b>\$ 130.2</b>	\$ 115.0
Work in process	<b>13.5</b>	10.6
Raw materials	<b>27.5</b>	32.5
Total	<b><u>\$ 171.2</u></b>	<u>\$ 158.1</u>

Net inventories in the amount of \$78.0 million at December 31, 2011 and \$74.8 million at January 1, 2011 were valued at the lower of LIFO cost or market. If the LIFO method had not been used, inventories would have been \$14.6 million higher than reported at December 31, 2011 and \$11.9 million higher than reported at January 1, 2011.

## E. Property, Plant and Equipment

	<u>2011</u>	<u>2010</u>
	<i>(In Millions)</i>	
Land	\$ 6.7	\$ 5.9
Land improvements	6.2	6.0
Buildings	50.2	32.6
Leasehold improvements	11.3	11.6
Machinery and equipment	116.2	105.2
Computer software	14.4	12.1
Property, plant and equipment, gross	<u>205.0</u>	<u>173.4</u>
Less: accumulated depreciation and amortization	(94.3)	(66.1)
Property, plant and equipment, net	<u>\$ 110.7</u>	<u>\$ 107.3</u>

Depreciation and amortization expense associated with property, plant and equipment was \$26.2 million and \$28.9 million for the year ended December 31, 2011 and January 1, 2011, respectively.

## F. Merger

As more fully described in Note A Basis of Presentation, the Merger occurred on March 12, 2010. The fair value of consideration transferred by the Parent for HHI acquired from Black & Decker was \$798.5 million, inclusive of Black & Decker shares outstanding and employee related equity awards. The consideration transferred was treated as a capital contribution to the Company in the Combined Financial Statements and included as part of the net transfers to the Parent in the Statement of Changes in Business Equity. The transaction was accounted for using the acquisition method of accounting which requires, among other things, the assets acquired and liabilities assumed be recognized at their fair values as of the date of acquisition. The purchase price allocation for the acquired businesses was completed in 2010.

## F. Merger (continued)

HHI sells residential and commercial hardware, including door knobs and handles, locksets and faucets. The Merger complemented the Company's existing hardware product offerings and further diversified the Company's product lines. The following table summarizes the fair values of major assets acquired and liabilities of HHI assumed as part of the Merger:

	<i>(In Millions)</i>
Cash and cash equivalents	\$ 9.2
Accounts receivable, net	73.4
Inventories, net	142.3
Prepaid expenses and other current assets	11.0
Property, plant and equipment	82.2
Trade names	108.0
Customer relationships	43.0
Patents and technology	25.0
Other assets	0.3
Accounts payable	(33.4)
Accrued liabilities	(38.6)
Deferred tax liabilities	(75.6)
Other long term liabilities	(52.7)
Total identifiable net assets	294.1
Goodwill	504.4
Total consideration transferred by the Parent and contributed to the Company	<u>\$ 798.5</u>

As of the merger date, the expected fair value of accounts receivable approximated the historical cost. The gross contractual receivable was \$76.3 million, of which \$2.9 million was not expected to be collectible. Inventory includes a \$31.3 million fair value adjustment, which was expensed through cost of sales during 2010 as the corresponding inventory was sold.

The weighted-average useful lives assigned to the finite-lived intangible assets are trade names – 15 years; customer relationships – 12 years; and patents and technology – 10 years. Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the expected cost synergies of the combined business, assembled workforce, and the going concern nature of HHI. It is estimated that \$19.9 million of goodwill, relating to HHI's pre-merger historical tax basis, will be deductible for tax purposes.

## F. Merger (continued)

### Actual and Pro-Forma Impact of the Merger

The Company's Combined Statements of Operations for the fiscal year ending January 1, 2011 includes \$662.8 million in net sales and \$10.4 million in net income relating to HHI.

The following table presents supplemental pro-forma information as if the Merger had occurred on January 3, 2010. This pro-forma information includes merger related charges for the period. The pro-forma results are not necessarily indicative of what the Company's combined net earnings would have been had the Company completed the Merger on January 3, 2010. In addition, the pro-forma results do not reflect the expected realization of any cost savings associated with the Merger.

	<u>2010</u> <i>(In Millions)</i>
Net sales	\$ 1,063.2
Net earnings	1.4

The 2010 pro-forma results were calculated by combining the results of the HHI Group with the HHI business's stand-alone results from January 3, 2010 through March 12, 2010. The following adjustments were made to account for certain costs which would have been incurred during this pre-Merger period.

- Elimination of the historical pre-Merger intangible asset amortization expense and the addition of intangible asset amortization expense related to intangibles valued as part of the Merger that would have been incurred from January 3, 2010 to March 12, 2010.
- Additional depreciation related to property, plant and equipment fair value adjustments that would have been expensed from January 3, 2010 to March 12, 2010.
- The modifications above were adjusted for the applicable tax impact.

## G. Goodwill and Intangible Assets

### Goodwill

The changes in the carrying amount of goodwill are as follows:

	<u>2011</u>	<u>2010</u>
	<i>(In Millions)</i>	
Beginning balance	\$583.3	\$ 71.8
Addition from the merger	—	504.4
Foreign currency translation	<u>(9.7)</u>	<u>7.1</u>
Ending balance	<u>\$573.6</u>	<u>\$583.3</u>

## G. Goodwill and Intangible Assets (continued)

### Intangible Assets

Intangible assets at December 31, 2011 and January 1, 2011 were as follows:

	2011		2010	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
<i>(In Millions)</i>				
Amortized intangible assets – definite lives:				
Patents and technology	\$ 25.0	\$ (4.5)	\$ 25.0	\$ (1.6)
Trade names	108.0	(15.4)	108.0	(6.7)
Customer relationships	65.1	(25.2)	65.6	(20.4)
Total	<u>\$ 198.1</u>	<u>\$ (45.1)</u>	<u>\$ 198.6</u>	<u>\$ (28.7)</u>

Total indefinite-lived trade names are \$18.1 million at December 31, 2011 and \$18.2 million at January 1, 2011, relating to the National Hardware tradename, with the change in value due to fluctuations in currency rates. Future amortization expense in each of the next five years amounts to \$17.7 million for 2012, \$17.8 million for 2013, \$17.2 million for 2014, \$15.9 million for 2015, \$14.5 million for 2016 and \$69.9 million thereafter.

### H. Accrued Expenses

Accrued expenses at December 31, 2011 and January 1, 2011 were as follows:

	2011	2010
	<i>(In Millions)</i>	
Payroll and related taxes	\$10.6	\$11.4
Customer rebates and sales returns	11.7	7.3
Accrued restructuring costs	7.8	8.9
Accrued freight	4.1	3.7
Insurance and benefits	5.9	5.1
Accrued litigation	5.0	2.5
ESOP	4.5	0.8
Warranty costs	4.4	4.3
Other	10.5	1.3
Total	<u>\$64.5</u>	<u>\$45.3</u>



## I. Fair Value Measurements and Commodity Contracts

### Fair Value Measurements

ASC 820 defines, establishes a consistent framework for measuring, and expands disclosure requirements about fair value. ASC 820 requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs create the following fair value hierarchy:

*Level 1* – Quoted prices for identical instruments in active markets.

*Level 2* – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs and significant value drivers are observable.

*Level 3* – Instruments that are valued using unobservable inputs.

### Assets and Liabilities Recorded at Fair Value on a Recurring Basis

The assets and liabilities that are recorded at fair value on a recurring basis are derivative financial instruments, which are all considered Level 2 in the fair value hierarchy. The fair values of debt instruments are estimated using a discounted cash flow analysis using the Company's marginal borrowing rates. The fair value of affiliate debt was \$445.5 million and \$559.1 million at December 31, 2011 and January 1, 2011, respectively.

### Assets Recorded at Fair Value on a Nonrecurring Basis

The following table presents the fair value and hierarchy level used in determining the fair value of this asset group (in millions):

	Carrying Value January 1, 2011	Level 1	Level 2	Level 3	Impairment
Long-lived assets held and used	\$ 20.8	\$ —	\$ —	\$ 20.8	\$ (0.9)

As described in Note N, Restructuring and Asset Impairments, during 2010 the Company recorded a \$0.9 million asset impairment relating to certain U.S. manufacturing operations with a net book value of \$21.7 million. These fair value measurements were calculated using unobservable inputs, primarily using the income approach, specifically the discounted cash flow method, which are classified as Level 3 within the fair value hierarchy. The amount and timing of future cash flows within these analyses was based on our most recent operational budgets, long-range strategic plans and other estimates.

## I. Fair Value Measurements and Commodity Contracts (continued)

### Commodity Contracts

In conjunction with the Merger, commodity contracts to purchase 7.4 million pounds of zinc and copper were assumed. These contracts were used to manage price risks related to material purchases used in the manufacturing process. The objective of the contracts was to reduce the variability of cash flows associated with the forecasted purchase of these commodities. During 2010 all assumed commodity contracts either matured or were terminated. No notional amounts were outstanding as of December 31, 2011 or January 1, 2011. The income statement impacts related to commodity contracts not designated as hedging instruments were as follows (in millions):

	<u>Income Statement Classification</u>	<u>2010 Loss Recorded in Income on Derivative</u>
Commodity Contracts	Other, net	\$ 1.3

### J. Stock Based Compensation

*Stock Options:* For the year ended December 31, 2011, there were 28,000 options in the common stock of the Parent granted to employees of the Company with 204,074 options outstanding at year end. Stock option expense recognized for the year ended December 31, 2011 was \$0.3 million. Expense was recognized based on the fair value of the option awards granted to participating employees of the Company. For the year ended January 1, 2011, there were 35,250 options granted to employees of the Company, 209,466 options outstanding at year end and stock option expense recognized of \$0.2 million. As of December 31, 2011, unrecognized compensation expense amounted to \$1.0 million.

*Employee Stock Purchase Plan:* The Employee Stock Purchase Plan ("ESPP") of the Parent enables eligible employees in the United States and Canada to subscribe at any time to purchase shares of common stock on a monthly basis at the lower of 85% of the fair market value of the shares on the grant date (\$53.00 per share for fiscal year 2011 purchases) or 85% of the fair market value of the shares on the last business day of each month. ESPP compensation cost is recognized ratably over the one-year term based on actual employee stock purchases under the plan.

During 2011 and 2010, 12,092 shares and 5,538 shares were issued to employees of the Company at average prices of \$50.85 and \$37.53 per share, respectively. Total compensation expense recognized by the Company amounted to \$0.3 million and \$0.1 million for 2011 and 2010, respectively.

*Restricted Share Units:* Compensation cost for restricted share units ("RSU") granted to employees of the Company is recognized ratably over the vesting term, which varies but is generally 4 years. RSU grants totaled 9,336 shares and 12,753 shares in 2011 and 2010, respectively. The weighted-average grant date fair value of the RSU's granted in 2011 and 2010 were \$61.79 and \$59.99, respectively. Total compensation expense recognized for RSU's amounted to \$0.2 million and \$0.1 million for 2011 and 2010, respectively. As of December 31, 2011 unrecognized compensation cost amounted to \$1.0 million.

*Long-Term Performance Awards:* The Parent has granted Long Term Performance Awards ("LTIPs") under its 1997, 2001 and 2009 Long Term Incentive Plans to senior management employees of the Company for achieving Parent performance measures. Awards are payable in shares of the Parent common stock, which may be restricted if the employee has not achieved certain stock ownership levels, and generally no award is made if the employee terminates employment prior to the payout date.

## J. Stock Based Compensation (continued)

*Working capital incentive plan:* In 2010, the Parent initiated a bonus program under its 2009 Long Term Incentive Plan that provides executives the opportunity to receive stock in the event certain working capital turn objectives are achieved by June 2013 and are sustained for a period of at least six months. The ultimate issuances of shares, if any, will be determined based on achievement of objectives during the performance period. A single employee of the Company was issued 2,742 shares under this plan in 2010.

*Other Long-Term Performance Awards:* A potential maximum of 5,484 LTIP grants were made in 2010 and a potential maximum of 3,851 LTIP grants were made in 2011 to an employee of the Company. Each grant has separate annual performance goals for each year within the respective three year performance period associated with each award. Parent earnings per share and return on capital employed represent 75% of the share payout of each grant, with the remaining 25% a market-based element, measuring the Parent's common stock return relative to peers over the performance period. The ultimate delivery of shares will occur in 2013 and 2014 for the 2010 and 2011 grants, respectively. Total payouts are based on actual performance in relation to these goals. Total compensation expense recognized for LTIP awards amounted to \$0.1 million in both 2011 and 2010.

## K. Accumulated Other Comprehensive Income

Accumulated other comprehensive income at the end of each fiscal year was as follows:

	<u>2011</u>	<u>2010</u>
	<i>(In Millions)</i>	
Currency translation adjustment	<b>\$ 36.3</b>	\$49.5
Pension loss, net of tax	<b>(12.0)</b>	(9.9)
Accumulated other comprehensive income	<b><u>\$ 24.3</u></b>	<b><u>\$39.6</u></b>

## L. Employee Benefit Plans

### Employee Stock Ownership Plan ("ESOP")

Most of the Company's U.S. employees, including Black & Decker employees beginning on January 1, 2011, are allowed to participate in a tax-deferred 401(k) savings plan administered and sponsored by the Parent. Eligible employees may contribute from 1% to 25% of their eligible compensation to a tax-deferred 401(k) savings plan, subject to restrictions under tax laws. Employees generally direct the investment of their own contributions into various investment funds. In 2011 and 2010, an employer match benefit was provided under the plan equal to one-half of each employee's tax-deferred contribution up to the first 7% of their compensation. Participants direct the entire employer match benefit such that no participant is required to hold the Parent's common stock in their 401(k) account. The Company's employer match benefit totaled \$2.1 million and \$0.3 million in 2011 and 2010, respectively. The increase is attributable to the HHI integration into the ESOP in 2011.

In addition, approximately 1,500 of the Company's U.S. salaried and non-union hourly employees are eligible to receive a non-contributory benefit under the Core benefit plan. Core benefit allocations range from 2% to 6% of eligible employee compensation based on age. Approximately 1,157 U.S. employees also receive a Core transition benefit, allocations of which range from 1% – 3% of eligible compensation based on age and date of hire. Approximately 207 U.S. employees are eligible to receive an additional average 1.3% contribution actuarially designed to replace previously curtailed pension benefits. The Company's allocations for benefits earned under the Core plan were \$4.5 million in 2011 and \$0.8 million in 2010. Assets held in participant Core accounts are invested in target date retirement funds which have an age-based allocation of investments. The increase is attributable to the HHI integration into the Core plan in 2011.

## **L. Employee Benefit Plans (continued)**

The Parent accounts for the ESOP under ASC 718-40, "Compensation – Stock Compensation – Employee Stock Ownership Plans". Net ESOP activity recognized is comprised of the cost basis of shares released, the cost of the aforementioned Core and 401(k) match defined contribution benefits, less the fair value of shares released and dividends on unallocated ESOP shares. The Company's net ESOP activity resulted in expense of \$3.7 million and \$1.1 million in 2011 and 2010, respectively. The 401(k) employer match and Core benefit elements of net ESOP expense represent the actual benefits earned by the Company's participants in each year, while the cost basis of shares released, the fair value of shares released and the dividends on unallocated shares elements are based on the proportion of the Company's actual earned benefits in relation to the Parent's ESOP total earned benefits. The increase in net ESOP expense in 2011 is related to the merger of a portion of the U.S. Black & Decker 401(k) defined contribution plan into the ESOP and extending the Core benefit to these employees. ESOP expense is affected by the market value of the Parent's common stock on the monthly dates when shares are released. The market value of shares released averaged \$68.12 per share in 2011 and \$58.56 per share in 2010.

### *Parent Sponsored Pension Plans*

The Company participates in certain U.S. and Canadian plans sponsored solely by the Parent. All participants in the plans are employees or former employees of the Parent, either directly or through its subsidiaries. The primary U.S. plan was curtailed in 2010 and the other plans are generally also curtailed with no additional service benefits to be earned by participants. The Company's expense associated with the parent sponsored plans was \$3.2 million and \$5.0 million for 2011 and 2010, respectively.

### *Defined Contribution Plans*

In addition to the ESOP, various other defined contribution plans are sponsored worldwide, including a tax-deferred 401(k) savings plan covering substantially all Black & Decker U.S. employees. The expense for such defined contribution plans, aside from the earlier discussed ESOP, was \$1.5 million and \$2.4 million for 2011 and 2010, respectively. The decrease in other defined contribution plan expense in 2011 relative to 2010 pertains to the merger of the Black & Decker U.S. defined contribution plan into the ESOP.

## L. Employee Benefit Plans (continued)

### Defined Benefit Plans

**Pension and other benefit plans** – The Company sponsors pension plans covering 284 domestic employees and 3,970 foreign employees (primarily in Mexico). Benefits are generally based on salary and years of service, except for U.S. collective bargaining employees whose benefits are based on a stated amount for each year of service.

The components of net periodic pension expense are as follows:

	U.S. Plan		Non-U.S. Plans	
	2011	2010	2011	2010
	<i>(In Millions)</i>			
Service cost	\$ 0.2	\$ 0.3	\$ 0.7	\$ 0.4
Interest cost	3.4	3.5	0.5	0.4
Expected return on plan assets	(3.4)	(3.7)	—	—
Amortization of actuarial loss	0.3	0.7	0.1	—
Net periodic pension expense	<u>\$ 0.5</u>	<u>\$ 0.8</u>	<u>\$ 1.3</u>	<u>\$ 0.8</u>

The Company provides medical and dental fixed subsidy benefits for certain retired employees in the United States. Approximately 27 participants are covered under this plan. Net periodic post-retirement benefit expense was comprised of the following elements:

	Other Benefit Plan	
	2011	2010
	<i>(In Millions)</i>	
Interest cost	\$ 0.2	\$ 0.2
Prior service credit amortization	(0.2)	(0.1)
Net periodic post-retirement benefit (income) expense	<u>\$ —</u>	<u>\$ 0.1</u>

Changes in plan assets and benefit obligations recognized in other comprehensive income in 2011 are as follows:

	2011
	<i>(In Millions)</i>
Current year actuarial loss	\$ 3.1
Amortization of actuarial loss	(0.2)
Currency	(0.1)
Total loss recognized in other comprehensive income (pre-tax)	<u>\$ 2.8</u>

The amounts in accumulated other comprehensive loss expected to be recognized as components of net periodic benefit costs during 2012 total \$0.4 million, representing the amortization of actuarial losses.

## L. Employee Benefit Plans (continued)

The changes in the pension and other post-retirement benefit obligations, fair value of plan assets, as well as amounts recognized in the Combined Balance Sheets, are shown below (in millions):

	U.S. Plan		Non-U.S. Plans		Other Benefits	
	2011	2010	2011	2010	2011	2010
<b>Change in benefit obligation</b>						
Benefit obligation at end of prior year	\$ 67.3	\$ 63.3	\$ 7.2	\$ 1.3	\$ 4.4	\$ 4.7
Service cost	0.2	0.3	0.7	0.4	—	—
Interest cost	3.4	3.5	0.5	0.4	0.2	0.2
Settlements/curtailments	—	—	(0.1)	—	—	—
Actuarial (gain) loss	6.8	3.9	(1.4)	1.6	(0.7)	—
Foreign currency exchange rates	—	—	(0.7)	0.2	—	—
Acquisitions, divestitures and other	(0.2)	—	—	3.7	—	—
Benefits paid	(3.5)	(3.7)	(0.5)	(0.4)	(0.4)	(0.5)
Benefit obligation at end of year	<u>\$ 74.0</u>	<u>\$ 67.3</u>	<u>\$ 5.7</u>	<u>\$ 7.2</u>	<u>\$ 3.5</u>	<u>\$ 4.4</u>
<b>Change in plan assets</b>						
Fair value of plan assets at end of prior year	\$ 53.3	\$ 50.8	\$ —	\$ —	\$ —	\$ —
Actual return on plan assets	5.1	6.2	—	—	—	—
Employer contributions	0.5	—	0.5	0.4	0.4	0.5
Acquisitions, divestitures and other	(0.2)	—	—	—	—	—
Benefits paid	(3.5)	(3.7)	(0.5)	(0.4)	(0.4)	(0.5)
Fair value of plan assets at end of plan year	<u>55.2</u>	<u>53.3</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Funded status – assets less the benefit obligation	(18.8)	(14.0)	(5.7)	(7.2)	(3.5)	(4.4)
Unrecognized net actuarial loss (gain)	20.2	15.4	0.2	1.8	(2.2)	(1.7)
Net amount recognized	<u>\$ 1.4</u>	<u>\$ 1.4</u>	<u>\$ (5.5)</u>	<u>\$ (5.4)</u>	<u>\$ (5.7)</u>	<u>\$ (6.1)</u>
<b>Amounts recognized in the Combined Balance Sheets</b>						
Current benefit liability	\$ —	\$ —	\$ (0.2)	\$ (0.2)	\$ (0.5)	\$ (0.6)
Non-current benefit liability	(18.8)	(14.0)	(5.5)	(7.0)	(3.0)	(3.8)
Net liability recognized	<u>\$(18.8)</u>	<u>\$(14.0)</u>	<u>\$(5.7)</u>	<u>\$(7.2)</u>	<u>\$(3.5)</u>	<u>\$(4.4)</u>
Accumulated other comprehensive loss (gain) (pre-tax):						
Actuarial loss (gain)	\$ 20.2	\$ 15.4	\$ 0.2	\$ 1.8	\$ (2.2)	\$ (1.7)
Net amount recognized	<u>\$ 1.4</u>	<u>\$ 1.4</u>	<u>\$ (5.5)</u>	<u>\$ (5.4)</u>	<u>\$(5.7)</u>	<u>\$(6.1)</u>

The increase in the U.S. projected benefit obligation from actuarial losses in 2011 primarily pertains to the 75 basis point decline in the discount rate.

## L. Employee Benefit Plans (continued)

The accumulated benefit obligation for all defined benefit pension plans was \$77.2 million at December 31, 2011 and \$71.1 million at January 1, 2011. Information regarding pension plans in which the accumulated benefit obligations exceed plan assets and pension plans in which projected benefit obligations (inclusive of anticipated future compensation increases) exceed plan assets follows:

	U.S. Plan		Non-U.S. Plans	
	2011	2010	2011	2010
	<i>(In Millions)</i>			
Projected benefit obligation	\$74.0	\$67.3	\$ 5.7	\$ 7.2
Accumulated benefit obligation	\$74.0	\$67.3	\$ 3.2	\$ 3.8
Fair value of plan assets	\$55.2	\$53.3	\$—	\$—

The major assumptions used in valuing pension and post-retirement plan obligations and net costs were as follows:

	Pension Benefits				Other Benefits	
	U.S. Plans		Non-U.S. Plans		U.S. Plan	
	2011	2010	2011	2010	2011	2010
<b>Weighted-average assumptions used to determine benefit obligations at year end</b>						
Discount rate	4.50%	5.25%	8.75%	7.25%	4.00%	5.00%
Rate of compensation increase	—%	—%	4.75%	4.75%	—%	—%
<b>Weighted-average assumptions used to determine net periodic benefit cost</b>						
Discount rate	5.25%	5.75%	7.25%	9.00%	5.00%	5.50%
Rate of compensation increase	—%	—%	4.75%	4.75%	—%	—%
Expected return on plan assets	6.75%	7.50%	—%	—%	—%	—%

The expected rate of return on plan assets is determined considering the returns projected for the various asset classes and the relative weighting for each asset class considering the target asset allocations. In addition the Company considers historical performance, the recommendations from outside actuaries and other data in developing the return assumption. The Company expects to use a weighted-average rate of return assumption of 6.5% for the U.S. plan, in the determination of fiscal 2012 net periodic benefit expense.

## L. Employee Benefit Plans (continued)

### Pension Plan Assets

Plan assets are invested in equity securities, government and corporate bonds and other fixed income securities, and money market instruments. The Company's worldwide asset allocations at December 31, 2011 and January 1, 2011 by asset category and the level of the valuation inputs within the fair value hierarchy established by ASC 820 are as follows (in millions):

	<u>2011</u>	<u>Level 1</u>	<u>Level 2</u>
<b>Asset Category</b>			
Cash and cash equivalents	\$ 0.6	\$ 0.2	\$ 0.4
Equity securities			
U.S. equity securities	16.3	2.8	13.5
Foreign equity securities	9.0	9.0	—
Fixed income securities			
Government securities	15.3	14.4	0.9
Corporate securities	13.7	—	13.7
Other	0.3	—	0.3
Total	<u>\$55.2</u>	<u>\$ 26.4</u>	<u>\$ 28.8</u>
	<u>2010</u>	<u>Level 1</u>	<u>Level 2</u>
<b>Asset Category</b>			
Cash and cash equivalents	\$12.8	\$ 5.4	\$ 7.4
Equity securities			
U.S. equity securities	21.9	3.7	18.2
Foreign equity securities	11.2	11.2	—
Fixed income securities			
Government securities	3.2	3.0	0.2
Corporate securities	1.6	—	1.6
Other	2.6	—	2.6
Total	<u>\$53.3</u>	<u>\$23.3</u>	<u>\$30.0</u>

U.S. and foreign equity securities primarily consist of companies with large market capitalizations and to a lesser extent mid and small capitalization securities. Government securities primarily consist of U.S. Treasury securities and foreign government securities with de minimus default risk. Corporate fixed income securities include publicly traded U.S. and foreign investment grade and to a small extent high yield securities. Other investments include U.S. mortgage backed securities. The level 2 investments are primarily comprised of institutional mutual funds that are not publicly traded; the investments held in these mutual funds are generally level 1 publicly traded securities.

The Company's investment strategy for pension plan assets includes diversification to minimize interest and market risks. Plan assets are rebalanced periodically to maintain target asset allocations. Currently, the Company's target allocations include 50% in equity securities and 50% in fixed income securities. Maturities of investments are not necessarily related to the timing of expected future benefit payments, but adequate liquidity to make immediate and medium term benefit payments is ensured.

### Contributions

The Company's funding policy for its defined benefit plans is to contribute amounts determined annually on an actuarial basis to provide for current and future benefits in accordance with federal law and other regulations. The Company expects to contribute approximately \$3.2 million to its pension and other post-retirement benefit plans in 2012.



## L. Employee Benefit Plans (continued)

### Expected Future Benefit Payments

Benefit payments, inclusive of amounts attributable to estimated future employee service, are expected to be paid as follows over the next 10 years:

	<u>Total</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Years 6-10</u>
	<i>(In Millions)</i>						
Future payments	\$44.7	\$ 4.2	\$ 4.2	\$ 4.2	\$ 4.2	\$ 4.2	\$ 23.7

These benefit payments will be funded through a combination of existing plan assets and amounts to be contributed in the future by the Company.

### M. Other Costs and Expenses

Other-net is primarily comprised of intangible asset amortization expense (See Note G Goodwill and Intangible Assets for further discussion), currency related gains or losses, and environmental expense. Research and development costs, which are classified in SG&A, were \$7.9 million and \$6.9 million for fiscal years 2011 and 2010, respectively.

### N. Restructuring and Asset Impairments

A summary of the restructuring reserve activity from January 1, 2011 to December 31, 2011 is as follows (in millions):

	<u>January 1, 2011</u>	<u>Additions</u>	<u>Usage</u>	<u>December 31, 2011</u>
<b>2011 Actions</b>				
Severance and related costs	\$ —	\$ 2.8	\$(0.4)	\$ 2.4
<b>Pre-2011 Actions</b>				
Severance and related costs	8.9	0.4	(3.9)	5.4
<b>Total</b>	<u>\$ 8.9</u>	<u>\$ 3.2</u>	<u>\$(4.3)</u>	<u>\$ 7.8</u>

*2011 Actions:* During 2011, the Company recognized \$2.8 million of severance charges associated with the Merger and other cost actions initiated in the current year. The charges relate to the reduction of approximately 100 employees.

*Pre-2011 Actions:* For the year ended January 1, 2011 the Company initiated restructuring activities associated with the Merger, largely related to employee related actions. As of January 1, 2011, the reserve balance related to these pre-2011 actions totaled \$8.9 million. Utilization of the reserve balance related to pre-2011 actions was \$3.9 million in 2011. The vast majority of the remaining reserve balance of \$5.4 million is expected to be utilized in 2012.

## N. Restructuring and Asset Impairments (continued)

A summary of the restructuring reserve activity from January 3, 2010 to January 1, 2011 is as follows (in millions):

	<u>January 3, 2010</u>	<u>Additions</u>	<u>Usage</u>	<u>January 1, 2011</u>
<b>2010 Actions</b>				
Severance and related costs	\$ —	\$ 11.0	\$(2.1)	\$ 8.9
Asset Impairment (facility closure)	—	0.9	(0.9)	—
Severance and related costs	—	11.9	(3.0)	8.9
<b>Pre-2010 Actions</b>				
Severance and related costs	0.2	—	(0.2)	—
<b>Total</b>	<u>\$ 0.2</u>	<u>\$ 11.9</u>	<u>\$(3.2)</u>	<u>\$ 8.9</u>

*2010 Actions:* During 2010, the Company recognized \$11.0 million of severance charges associated with the Merger primarily relating to the shut-down of certain U.S. manufacturing facilities and distribution centers. The charges relate to the reduction of approximately 550 employees. Additionally the Company recorded a \$0.9 million asset impairment on the related facilities.

## O. Business Segments and Geographic Areas

### Business Segments

The Company operates as one reportable segment, inclusive of its plumbing-related products, lock and hardware products which have been aggregated consistent with the criteria in ASC 280. The Company's operations are principally managed on a products and services basis. In accordance with ASC 280, Segment Reporting, the Company reports segment information based upon the management approach. The management approach designates the internal reporting used by the chief operating decision maker, or the CODM for making decisions about resource allocations to segments and assessing performance. The CODM allocates resources to and assesses the performance of the operating segment using information based on earnings before interest, taxes, depreciation, and amortization.

### Geographic Areas

Geographic net sales and long-lived assets are attributed to the geographic regions based on the geographic location of each Company subsidiary.

	<u>2011</u>	<u>2010</u>
	<i>(In Millions)</i>	
<b>Net sales</b>		
United States	<b>\$ 743.1</b>	\$657.7
Canada	<b>105.3</b>	107.7
Other Americas	<b>91.4</b>	71.2
Asia	<b>35.2</b>	27.6
Combined	<u><b>\$975.0</b></u>	<u>\$864.2</u>
<b>Property, plant and equipment</b>		
United States	<b>\$ 102.6</b>	\$ 98.5
Canada	<b>4.4</b>	4.7
Other Americas	<b>3.5</b>	3.8
Asia	<b>0.2</b>	0.3
Combined	<u><b>\$ 110.7</b></u>	<u>\$107.3</u>

## P. Income Taxes

Significant components of the Company's deferred tax assets and liabilities as of December 31, 2011 and January 1, 2011 were as follows:

	<u>2011</u>	<u>2010</u>
	<i>(In Millions)</i>	
Deferred tax liabilities:		
Amortization of intangibles	<b>\$61.6</b>	\$66.4
Depreciation	<b>3.7</b>	—
Other	<b>2.3</b>	2.7
Total deferred tax liabilities	<b><u>\$67.6</u></b>	<b><u>\$69.1</u></b>
Deferred tax assets:		
Accruals	<b>\$22.9</b>	\$20.2
Employee benefit plans	<b>9.6</b>	9.6
Inventories	<b>7.3</b>	11.2
Operating loss and tax credit carry forwards	<b>12.2</b>	12.0
Restructuring charges	<b>2.9</b>	3.0
Allowance for doubtful accounts	<b>1.2</b>	1.8
Depreciation	<b>—</b>	0.6
Other	<b>3.1</b>	2.8
Total deferred tax assets	<b><u>\$59.2</u></b>	<b><u>\$61.2</u></b>
Net deferred tax liabilities before valuation allowance	<b>\$ 8.4</b>	\$ 7.9
Valuation allowance	<b>12.2</b>	11.9
Net deferred tax liabilities after valuation allowance	<b><u>\$20.6</u></b>	<b><u>\$19.8</u></b>

Net operating loss carry forwards of \$16.8 million and \$16.1 million respectively, at December 31, 2011 and January 1, 2011, are available to reduce future tax obligations of certain U.S. state and foreign companies. The net operating loss carry forwards have various expiration dates beginning in 2012 with certain jurisdictions having indefinite carry forward periods.

**P. Income Taxes (continued)**

A valuation allowance is recorded on certain deferred tax assets if it has been determined it is more likely than not that all or a portion of these assets will not be realized. The Company has recorded a valuation allowance of \$12.2 million and \$11.9 million for deferred tax assets existing as of December 31, 2011 and January 1, 2011, respectively. During 2011, the valuation allowance, which is primarily attributable to state net operating loss carry forwards, increased by \$0.3 million.

The classification of deferred taxes as of December 31, 2011 and January 1, 2011 were as follows (in millions):

	2011		2010	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Current	\$ 22.4	\$ (0.7)	\$ 23.0	\$ (0.3)
Non-current	3.4	(45.7)	3.0	(45.5)
Total	<u>\$ 25.8</u>	<u>\$ (46.4)</u>	<u>\$ 26.0</u>	<u>\$ (45.8)</u>

Income tax expense (benefit) as of December 31, 2011 and January 1, 2011 consisted of the following:

	2011	2010
	<i>(In Millions)</i>	
Current:		
Federal	\$ (1.2)	\$ 12.2
Foreign	18.0	8.6
State	1.7	1.0
Total current	18.5	21.8
Deferred:		
Federal	(3.1)	(22.7)
Foreign	(3.2)	0.8
State	0.1	(0.6)
Total deferred	(6.2)	(22.5)
Provision (benefit) for income taxes	<u>\$12.3</u>	<u>\$ (0.7)</u>

## P. Income Taxes (continued)

In general, there were no income taxes paid directly to any taxing authority by the Company for fiscal years 2011 and 2010. Any liability owed by the Company due to taxable income generated is settled through intercompany transfers with the Parent. Had the company paid its own tax liabilities during tax years December 31, 2011 and January 1, 2011, the net payments would have been approximately \$20.2 million and \$22.1 million, respectively.

The reconciliation of federal income tax at the statutory federal rate to income tax at the effective rate is as follows:

	<u>2011</u>	<u>2010</u>
	<i>(In Millions)</i>	
Tax at statutory rate	<b>\$17.1</b>	<b>\$(1.3)</b>
State income taxes, net of federal benefits	<b>0.3</b>	0.3
Difference between foreign and federal income tax	<b>(4.7)</b>	(2.1)
NOL and valuation allowance items	<b>0.9</b>	(0.2)
Transfer price adjustments	<b>(1.0)</b>	2.1
Other-net	<b>(0.3)</b>	0.5
Income taxes	<b><u>\$12.3</u></b>	<b><u>\$(0.7)</u></b>

The components of earnings (loss) before provision for income taxes consisted of the following:

	<u>2011</u>	<u>2010</u>
	<i>(In Millions)</i>	
United States	<b>\$ (9.5)</b>	<b>\$(37.3)</b>
Foreign	<b>58.2</b>	33.5
Earnings (loss) before income taxes	<b><u>\$48.7</u></b>	<b><u>\$( 3.8)</u></b>

Any undistributed foreign earnings of the Company at December 31, 2011, are considered to be invested indefinitely or will be remitted substantially free of additional U.S. tax. Accordingly, no provision has been made for taxes that might be payable upon remittance of such earnings, nor is it practicable to determine the amount of such liability.

The gross unrecognized tax benefit at December 31, 2011 is zero due to the settlement of a U.S. tax audit during fiscal year 2011. The liability for potential penalties and interest related to unrecognized tax benefits was increased \$0.1 million for the tax year ended January 1, 2011, with no change during the tax year ended December 31, 2011. The liability for potential penalties and interest totaled \$0.5 million January 1, 2011. There were no penalties or interest outstanding at the end of the 2011 tax year. The Company classifies all tax-related interest and penalties in the provision for income taxes.

The Company considers many factors when evaluating and estimating its tax positions and the impact on income tax expense, which may require periodic adjustments and which may not accurately anticipate actual outcomes. As of December 31, 2011 the company no longer requires a liability for unrecognized tax benefits.

The Company is subject to the examination of its income tax returns by the Internal Revenue Service (IRS) and other tax authorities in conjunction with the IRS audit of the Parent. The tax years under examination vary by jurisdiction. The Company is included in the IRS examination of the Parent for tax years 2008 and 2009. The Company also files many state and foreign income tax returns in jurisdictions with varying statutes of limitations. Tax years 2008 and forward generally remain subject to examination by most state tax authorities. In foreign jurisdictions, tax years 2007 and forward generally remain subject to examination.

## Q. Commitments and Guarantees

### Commitments

The Company has non-cancelable operating lease agreements, principally related to facilities, vehicles, machinery and equipment. Rental expense for operating leases was \$12.8 million in 2011, and \$14.2 million in 2010.

The following is a summary of the Company's future commitments which span more than one future fiscal year:

	<u>Total</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Thereafter</u>
	<i>(In Millions)</i>						
Operating lease obligations	\$46.3	\$8.8	\$5.6	\$5.2	\$4.6	\$3.4	\$ 18.7

### Guarantees

The Company issued a standby letter of credit for \$0.3 million to guarantee future payments which may be required under an insurance program.

The Company provides product and service warranties. The types of warranties offered generally range from one year to limited lifetime, while certain products carry no warranty. Further, the Company sometimes incurs discretionary costs to service its products in connection with product performance issues. Historical warranty and service claim experience forms the basis for warranty obligations recognized. Adjustments are recorded to the warranty liability as new information becomes available.

Following is a summary of the warranty activity for the years ended December 31, 2011, and January 1, 2011:

	<u>2011</u>	<u>2010</u>
	<i>(In Millions)</i>	
Beginning balance	\$ 4.3	\$ 0.2
Warranties issued	8.1	2.8
Liability assumed in the merger	—	3.7
Warranty payments	(8.0)	(2.4)
Ending balance	<u>\$ 4.4</u>	<u>\$ 4.3</u>

### R. Contingencies

The Company is involved in various legal proceedings relating to environmental issues, employment, product liability, workers' compensation claims and other matters. The Company periodically reviews the status of these proceedings with both inside and outside counsel, as well as an actuary for risk insurance. Management believes that the ultimate disposition of these matters will not have a material adverse effect on operations or financial condition taken as a whole.

The amount recorded for identified contingent liabilities is based on estimates. Amounts recorded are reviewed periodically and adjusted to reflect additional technical and legal information that becomes available. Actual costs to be incurred in future periods may vary from the estimates, given the inherent uncertainties in evaluating certain exposures. Subject to the imprecision in estimating future contingent liability costs, the Company does not expect that any sum it may have to pay in connection with these matters in excess of the amounts recorded will have a materially adverse effect on its financial position, results of operations or liquidity.

## R. Contingencies (continued)

In connection with the Merger, the Company assumed certain commitments and contingent liabilities. HHI is a party to litigation and administrative proceedings with respect to claims involving the discharge of hazardous substances into the environment. Some of these assert claims for damages and liability for remedial investigations and clean-up costs with respect to sites that have never been owned or operated by HHI but at which HHI has been identified as a potentially responsible party. Other matters involve current and former manufacturing facilities.

In the event that no amount in the range of probable loss is considered most likely, the minimum loss in the range is accrued. In the normal course of business, the Company is involved in various lawsuits and claims. In addition, the Company is a party to a number of proceedings before federal and state regulatory agencies relating to environmental remediation. Also, the Company, along with many other companies, has been named as a PRP in a number of administrative proceedings for the remediation of various waste sites, including 3 active Superfund sites. Current laws potentially impose joint and several liabilities upon each PRP. In assessing its potential liability at these sites, the Company has considered the following: whether responsibility is being disputed, the terms of existing agreements, experience at similar sites, and the Company's volumetric contribution at these sites.

The Company's policy is to accrue environmental investigatory and remediation costs for identified sites when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. The amount of liability recorded is based on an evaluation of currently available facts with respect to each individual site and includes such factors as existing technology, presently enacted laws and regulations, and prior experience in remediation of contaminated sites. The liabilities recorded do not take into account any claims for recoveries from insurance or third parties. As assessments and remediation progress at individual sites, the amounts recorded are reviewed periodically and adjusted to reflect additional technical and legal information that becomes available. As of December 31, 2011 and January 1, 2011, the Company had reserves of \$26.7 million and \$25.3 million, respectively, for remediation activities associated with Company-owned properties, as well as for Superfund sites, for losses that are probable and estimable. Of the 2011 amount, \$1.6 million is classified as current and \$25.1 million as long-term which is expected to be paid over the estimated remediation period. The range of environmental remediation costs that is reasonably possible is \$19.0 million to \$44.0 million which is subject to change in the near term. The Company may be liable for environmental remediation of sites it no longer owns. Liabilities have been recorded on those sites in accordance with policy.

The environmental liability for certain sites that have cash payments beyond the current year that are fixed or reliably determinable have been discounted using a rate of 2.1% to 3.8%, depending on the expected timing of disbursements. The discounted and undiscounted amount of the liability relative to these sites is \$7.7 million and \$16.0 million, respectively. The payments relative to these sites are expected to be \$0.8 million in 2012, \$0.7 million in 2013, \$0.7 million in 2014, \$0.8 million in 2015, \$0.4 million in 2016 and \$12.6 million thereafter.

**The HHI Group**  
**Combined Balance Sheets**

	<i>(Unaudited)</i> <b>June 30, 2012</b>	<b>December 31, 2011</b>
<i>(In Millions)</i>		
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 48.5	\$ 44.8
Accounts receivable, net	121.4	108.1
Inventories, net	168.8	171.2
Prepaid expenses	4.7	4.2
Deferred taxes	25.3	22.4
Other current assets	3.9	2.7
<b>Total current assets</b>	<b>372.6</b>	<b>353.4</b>
Property, plant and equipment, net	102.9	110.7
Goodwill	572.6	573.6
Customer relationships, net	37.1	39.9
Trade names, net	106.1	110.7
Patents and technology, net	18.6	20.5
Affiliate notes receivable	33.3	33.5
Other assets	7.5	5.0
<b>Total assets</b>	<b>\$ 1,250.7</b>	<b>\$ 1,247.3</b>
<b>Liabilities and business equity</b>		
Current liabilities:		
Accounts payable	\$ 122.1	\$ 115.7
Current portion of affiliate debt	132.5	138.0
Accrued expenses	49.8	64.5
<b>Total current liabilities</b>	<b>304.4</b>	<b>318.2</b>
Long-term affiliate debt	227.9	273.7
Deferred taxes	46.9	45.7
Post-retirement benefits	27.1	27.3
Other liabilities	34.3	41.3
Commitments and contingencies <i>(Notes P and Q)</i>		
Business equity:		
Parent Company's net investment and accumulated earnings	585.3	514.5
Accumulated other comprehensive income	22.0	24.3
Parent Company's net investment and accumulated earnings and accumulated other comprehensive income	607.3	538.8
Non-controlling interest	2.8	2.3
<b>Total business equity</b>	<b>610.1</b>	<b>541.1</b>
<b>Total liabilities and business equity</b>	<b>\$ 1,250.7</b>	<b>\$ 1,247.3</b>

*See notes to unaudited combined financial statements.*



**The HHI Group**  
**Combined Statements of Operations**  
*(Unaudited)*

	<b>Six Months Ended</b>	
	<b>June 30,</b>	<b>July 2,</b>
	<b>2012</b>	<b>2011</b>
	<i>(In Millions)</i>	
<b>Net sales:</b>		
Trade	<b>\$472.7</b>	\$475.7
Affiliate	<b>20.6</b>	15.2
<b>Total net sales</b>	<b>493.3</b>	490.9
<b>Costs and expenses:</b>		
Cost of sales – trade	<b>318.9</b>	315.6
Cost of sales – affiliate	<b>19.8</b>	14.6
Selling, general and administrative	<b>91.1</b>	96.4
Provision for doubtful accounts	<b>0.1</b>	0.4
Other affiliate income	<b>(0.5)</b>	(0.6)
Other – net	<b>9.5</b>	10.7
Restructuring charges	<b>2.7</b>	3.6
Interest expense – affiliate, net	<b>17.6</b>	22.6
Interest income – trade, net	<b>(0.3)</b>	(0.3)
<b>Total costs and expenses</b>	<b>458.9</b>	463.0
Earnings before income taxes	<b>34.4</b>	27.9
Income taxes	<b>10.6</b>	8.6
Net earnings	<b>23.8</b>	19.3
Net income attributable to non-controlling interests	<b>(0.5)</b>	(0.3)
Net earnings attributable to Parent Company	<b>\$ 23.3</b>	<b>\$ 19.0</b>

*See notes to unaudited combined financial statements.*

**The HHI Group**  
**Combined Statements of Cash Flows**  
(Unaudited)

	Six Months Ended	
	June 30, 2012	July 2, 2011
	(In Millions)	
<b>Operating activities</b>		
Net earnings	\$ 23.8	\$ 19.3
Net income attributable to non-controlling interests	(0.5)	(0.3)
Net earnings attributable to Parent Company	23.3	19.0
Adjustments to reconcile net earnings to cash provided by operating activities:		
Depreciation and amortization of property and equipment	12.7	14.2
Amortization of intangibles	9.0	8.5
Provision for doubtful accounts	0.1	0.4
Deferred taxes	(5.0)	(1.1)
Changes in operating assets and liabilities:		
Accounts receivable	(13.2)	(38.9)
Inventories	2.1	(12.6)
Accounts payable	6.4	36.7
Prepaid expenses and other current assets	(4.7)	(3.1)
Other assets	(2.5)	(0.7)
Accrued expenses	(15.0)	14.6
Other	37.9	32.9
Net cash provided by operating activities	51.1	69.9
<b>Investing activities</b>		
Capital expenditures	(4.7)	(14.6)
Proceeds from sales of assets	—	0.1
Net cash used in investing activities	(4.7)	(14.5)
<b>Financing activities</b>		
Cash received from Parent	373.0	513.1
Cash remitted to Parent	(364.8)	(526.5)
Receipts from (lending to) affiliates through notes receivable	0.2	(0.2)
Repayments on affiliate debt	(51.3)	(45.0)
Net cash used in financing activities	(42.9)	(58.6)
Effect of exchange rate changes on cash	0.2	0.5
Increase (decrease) in cash and cash equivalents	3.7	(2.7)
Cash and cash equivalents, beginning of period	44.8	47.7
Cash and cash equivalents, end of period	\$ 48.5	\$ 45.0

See notes to unaudited combined financial statements.

The HHI Group

Combined Statements of Changes in Business Equity  
 For the Six Months Ended June 30, 2012 and July 2, 2011  
 (In Millions, Unaudited)

	Parent Company's Net Investment and Accumulated Earnings	Accumulated Other Comprehensive Income	Non- Controlling Interest	Total Business Equity
Balance at January 1, 2011	\$ 466.6	\$ 39.6	\$ 2.7	\$508.9
Net income	19.0	—	0.3	19.3
Currency translation adjustment	—	21.3	—	21.3
Change in pension, net of tax	—	1.3	—	1.3
Net transfers to the Parent	8.0	—	—	8.0
Balance at July 2, 2011	493.6	62.2	3.0	558.8
Balance at December 31, 2011	514.5	24.3	2.3	541.1
Net income	23.3	—	0.5	23.8
Currency translation adjustment	—	(2.8)	—	(2.8)
Change in pension, net of tax	—	0.5	—	0.5
Net transfers to Parent	47.5	—	—	47.5
Balance at June 30, 2012	<u>\$ 585.3</u>	<u>\$ 22.0</u>	<u>\$ 2.8</u>	<u>\$610.1</u>

See notes to unaudited combined financial statements.

The HHI Group

Combined Statements of Comprehensive Income  
(Unaudited)

	Six Months Ended	
	June 30, 2012	July 2, 2011
	(In Millions)	
Net earnings attributable to Parent Company	\$ 23.3	\$ 19.0
Other comprehensive income, net of tax		
Currency translation adjustment and other	(2.8)	21.3
Pension	0.5	1.3
Total other comprehensive income, net of tax	(2.3)	22.6
Comprehensive income attributable to Parent Company	<u>\$ 21.0</u>	<u>\$ 41.6</u>

See notes to unaudited combined financial statements.

## **A. Nature of Activities and Basis of Presentation**

### **Description of Business**

On March 12, 2010, a wholly owned subsidiary of The Stanley Works was merged with and into the Black & Decker Corporation (“Black & Decker”), with the result that Black & Decker became a wholly owned subsidiary of The Stanley Works (the “Merger”). The combined company was thereafter renamed Stanley Black & Decker, Inc. (the “Parent”).

These unaudited financial statements combine the legacy Stanley National Hardware (“SNH”) operations with the legacy Black and Decker Hardware and Home Improvement (“HHI”) operations. The combined company, the HHI Group (hereinafter referred to as “the Company”), offers a broad range of door security hardware as well as residential products, including locksets and interior and exterior hardware. The Company’s brand names include Baldwin, Weiser, Kwikset, Stanley National Hardware, Fanal, Geo and Pfister. The Company is operated by a single management team.

Approximately half of the Company’s sales are in the retail channel, including 26% to The Home Depot and 20% to Lowes for the six months ended June 30, 2012, and 23% to The Home Depot and 21% to Lowes for the six months ended July 2, 2011. The remaining sales of the Company are in the non-retail or new construction channels. Further, approximately 89% of the Company’s revenues for both the six months ended June 30, 2012 and July 2, 2011 are generated from the U.S. and Canada, with the remainder spread across Latin America and Asia.

### **Basis of Presentation**

The unaudited combined financial statements include the accounts of the Company and its majority-owned subsidiaries which require consolidation, after the elimination of intercompany accounts and transactions. There were 26 weeks in both the six month period ended June 30, 2012 and July 2, 2011.

The accompanying unaudited combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations for the interim periods have been included and are of a normal, recurring nature. Operating results for the six months ended June 30, 2012 and July 2, 2011 are not necessarily indicative of the results that may be expected for a full fiscal year.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. While management believes that the estimates and assumptions used in the preparation of the financial statements are appropriate, actual results could differ from these estimates.

## A. Nature of Activities and Basis of Presentation (continued)

### Corporate Allocations

The Unaudited Combined Balance Sheets include the assets and liabilities attributable to the Company's operations. The Unaudited Combined Statements of Operations includes certain allocated corporate expenses of the Parent attributable to the Company. These expenses include costs associated with legal, finance, treasury, accounting, human resources, employee benefits, insurance and stock-based compensation. Corporate costs are allocated on the basis of usage or another reasonable basis when usage is not identifiable. Management believes the assumptions and methodologies underlying the allocation of expenses are reasonable. Notwithstanding, the expenses allocated to the Company are not necessarily indicative of the actual level of expenses that would have been incurred if the Company had been an independent entity and had otherwise managed these functions. The following table summarizes the allocation of corporate expenses to specific captions within the Unaudited Combined Statements of Operations.

	Six Months Ended	
	June 30, 2012	July 2, 2011
	<i>(In Millions)</i>	
Cost of sales – trade	\$ 2.4	\$ 2.5
Selling, general and administrative	10.9	12.5
Total corporate allocations	<u>\$ 13.3</u>	<u>\$ 15.0</u>

### Related Party Transactions

#### Affiliate Sales and Expenses

Transactions the Company had with affiliated companies owned by the Parent have been included in the Unaudited Combined Statements of Operations. These sales and related costs may not be indicative of sales pricing or volume in the event the Company is sold. The following table summarizes affiliate sales transactions:

<u>Description</u>	Six Months Ended	
	June 30, 2012	July 2, 2011
	<i>(In Millions)</i>	
Affiliate sales	\$ 20.6	\$ 15.2
Affiliate cost of sales	19.8	14.6
Net gross margin on affiliate sales	0.8	0.6
Cost of sales – trade, mark-up on affiliate purchases	5.1	5.5
Net interest expense – affiliate	17.6	22.6
Other affiliate income	(0.5)	(0.6)
Net affiliate loss before provision for income taxes	<u>\$ (21.4)</u>	<u>\$ (26.9)</u>

## A. Nature of Activities and Basis of Presentation (continued)

The Company purchases certain products it sells from third party vendors through affiliate global purchasing agents of the Parent. The Unaudited Combined Statements of Operations includes the affiliate mark-up arising from inventory purchase transactions between the Company and affiliates of the Parent. Mark-ups on affiliate purchases of \$5.1 million and \$5.5 million were included within cost of sales – trade in the Unaudited Combined Statements of Operations for the six months ended June 30, 2012 and July 2, 2011, respectively. The mark-up on affiliate purchase transactions is cash settled through the Parent's centralized cash management program and reduces the net cash provided by operating activities in the Unaudited Combined Statements of Cash Flows.

Other affiliate income represents royalty fees the Company charges to an affiliate of the Parent. The other affiliate income is assumed to be cash settled, as described below, and consequently reduces the net cash provided by operating activities in the Unaudited Combined Statements of Cash Flows.

### *Cash Management and Business Equity*

The Parent utilizes a centralized approach to cash management and financing of operations in the U.S. As a result of the Company's participation in the Parent's central cash management program, all the Company's U.S. cash receipts are remitted to the Parent and all cash disbursements are funded by the Parent. Other transactions with the Parent and related affiliates include purchases and sales and miscellaneous other administrative expenses incurred by the Parent on behalf of the Company. The net amount of any receivable from or payable to the Parent and other affiliates, with the exception of affiliate debt and notes receivable, are reported as a component of business equity. There are no terms of settlement or interest charges associated with the intercompany account balances. All transactions with the Parent and other related affiliates outside of the Company are considered to be effectively settled for cash in the Unaudited Combined Statements of Cash Flows at the time the transaction is recorded.

An analysis of the cash transactions solely with the Parent follows:

	Six Months Ended	
	June 30, 2012	July 2, 2011
	<i>(In Millions)</i>	
Cash received from Parent	\$ 373.0	\$ 513.1
Cash remitted to Parent	(364.8)	(526.5)
Taxes paid by Parent	6.7	0.4

## A. Nature of Activities and Basis of Presentation (continued)

### Affiliate Debt

A summary of the Company's affiliate debt arrangements at June 30, 2012 and December 31, 2011 and related party interest expense are shown below:

	<u>Interest Rate</u>	<u>June 30, 2012</u>	<u>December 31, 2011</u>
Affiliate notes payable due 2013	0.0% – 7.2%	\$ 48.4	\$ 58.8
Affiliate notes payable due 2015	10.8%	279.0	319.9
Affiliate notes payable on demand	2.0%	33.0	33.0
Total affiliate debt, including current maturities		<u>360.4</u>	<u>411.7</u>
Less: affiliate notes payable on demand classified as current		(33.0)	(33.0)
Less: principle payments due within 1 year for other notes payable		(99.5)	(105.0)
Long-term related party debt		<u>\$227.9</u>	<u>\$ 273.7</u>

Net affiliate interest expense amounted to \$17.6 million and \$22.6 million for the six months ending June 30, 2012 and July 2, 2011, respectively.

### Affiliate Notes Receivable

The Company has a variety of notes receivable agreements with affiliates of the Parent. These loans bear interest at fixed rates ranging from 0.9% to 2.5% and have maturity dates ranging from 2013 through 2015. Affiliate notes receivable were \$33.3 million and \$33.5 million at June 30, 2012 and December 31, 2011, respectively.

## B. Significant Accounting Policies

### Foreign Currency

For foreign operations with functional currencies other than the U.S. dollar, asset and liability accounts are translated at current exchange rates; income and expenses are translated using weighted-average exchange rates. Translation adjustments are reported in a separate component of business equity and exchange gains and losses on transactions are included in earnings.

### Cash Equivalents

Highly liquid investments with original maturities of three months or less are considered cash equivalents.



## B. Significant Accounting Policies (continued)

### Accounts Receivable

Trade receivables are stated at gross invoice amount less discounts, other allowances and provision for uncollectible accounts.

### Allowance for Doubtful Accounts

The Company estimates its allowance for doubtful accounts using two methods. First, a specific reserve is established for individual accounts where information indicates the customers may have an inability to meet financial obligations. Second, a reserve is determined for all customers based on a range of percentages applied to aging categories. These percentages are based on historical collection and write-off experience. Actual write-offs are charged against the allowance when collection efforts have been unsuccessful.

### Inventories

Certain U.S. inventories are valued at the lower of Last-In First-Out (“LIFO”) cost or market because the Company believes it results in better matching of costs and revenues. Other inventories are valued at the lower of First-In, First-Out (“FIFO”) cost or market primarily because LIFO is not permitted for statutory reporting outside the U.S. See Note D, Inventories, for a quantification of the LIFO impact on inventory valuation.

### Property, Plant and Equipment

The Company generally values property, plant and equipment, including capitalized software, at historical cost less accumulated depreciation and amortization. Costs related to maintenance and repairs which do not prolong the assets useful life are expensed as incurred. Depreciation and amortization are provided using straight-line methods over the estimated useful lives of the assets as follows:

	<u>Useful Life</u> <u>(Years)</u>
Land improvements	10 – 20
Buildings	40
Machinery and equipment	3 – 15
Computer software	3 – 5

Leasehold improvements are depreciated over the shorter of the estimated useful life or the term of the lease.

The Company reports depreciation and amortization of property, plant and equipment in cost of sales and selling, general and administrative expenses (“SG&A”) based on the nature of the underlying assets. Depreciation and amortization related to the production of inventory and delivery of services are recorded in cost of sales. Depreciation and amortization related to distribution center activities, selling and support functions are reported in SG&A.

## **B. Significant Accounting Policies (continued)**

The Company assesses its long-lived assets for impairment when indicators that the carrying values may not be recoverable are present. In assessing long-lived assets for impairment, the Company groups its long-lived assets with other assets and liabilities at the lowest level for which identifiable cash flows are generated ("asset group") and estimates the undiscounted future cash flows that are directly associated with and expected to be generated from the use of and eventual disposition of the asset group. If the carrying value is greater than the undiscounted cash flows, an impairment loss must be determined and the asset group is written down to fair value. The impairment loss is quantified by comparing the carrying amount of the asset group to the estimated fair value, which is determined using weighted-average discounted cash flows that consider various possible outcomes for the disposition of the asset group.

### **Goodwill and Intangible Assets**

Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired businesses. Intangible assets acquired are recorded at estimated fair value. Goodwill and intangible assets deemed to have indefinite lives are not amortized, but are tested for impairment annually during the third quarter, and at any time when events suggest impairment more likely than not has occurred. To assess goodwill for impairment, the Company determines the fair value of its reporting units, which are primarily determined using management's assumptions about future cash flows based on long-range strategic plans. This approach incorporates many assumptions including future growth rates, discount factors and tax rates. In the event the carrying value of a reporting unit exceeded its fair value, an impairment loss would be recognized to the extent the carrying amount of the reporting unit's goodwill exceeded the implied fair value of the goodwill.

Indefinite-lived intangible asset carrying amounts are tested for impairment by comparing to current fair market value, usually determined by the estimated cost to lease the asset from third parties. Intangible assets with definite lives are amortized over their estimated useful lives generally using an accelerated method. Under this accelerated method, intangible assets are amortized reflecting the pattern over which the economic benefits of the intangible assets are consumed. Definite-lived intangible assets are also evaluated for impairment when impairment indicators are present. If the carrying value exceeds the total undiscounted future cash flows, a discounted cash flow analysis is performed to determine the fair value of the asset. If the carrying value of the asset were to exceed the fair value, it would be written down to fair value.

As required by the Company's policy, goodwill and an indefinite lived tradename were tested for impairment in the third quarter of 2011. Based on the testing, the Company determined that the fair value of its reporting unit and indefinite lived tradename exceeded their carrying values. The Company will perform its annual impairment testing for the 2012 fiscal year during the third quarter of 2012. No goodwill or other intangible asset impairments were recorded during the six month period ended June 30, 2012 or July 2, 2011.

## **B. Significant Accounting Policies (continued)**

### **Financial Instruments**

The Company participates in the Parent's centralized hedging functions which are primarily designed to minimize exposure on foreign currency risk. These hedging instruments are recorded in the financial statements of the Parent and as such, the effects of such hedging instruments are not reflected in the Unaudited Combined Statements of Operations or Unaudited Combined Balance Sheets. Changes in the fair value of derivatives are recognized periodically either in earnings or in business equity as a component of other comprehensive income, depending on whether the derivative financial instrument is undesignated or qualifies for hedge accounting, and if so, whether it represents a fair value, cash flow, or net investment hedge. Changes in the fair value of derivatives accounted for as fair value hedges are recorded in earnings in the same caption as the changes in the fair value of the hedged items. Gains and losses on derivatives designated as cash flow hedges, to the extent they are effective, are recorded in other comprehensive income, and subsequently reclassified to earnings to offset the impact of the hedged items when they occur. In the event it becomes probable the forecasted transaction to which a cash flow hedge relates will not occur, the derivative would be terminated and the amount in other comprehensive income would generally be recognized in earnings.

### **Stock Based Compensation**

Certain employees of the Company have historically participated in the stock-based compensation plans of the Parent. The plans provide for discretionary grants of stock options, restricted stock units, and other stock-based awards. All awards granted under the plan consist of the Parent's common shares. As such, all related equity account balances remained at the Parent, with only the allocated expense for the awards provided to Company employees, as well as an allocation of expenses related to the Parent's corporate employee's who participate in the plan, being recorded in the Unaudited Combined Financial Statements.

Stock options are granted at the fair market value of the Parent's stock on the date of grant and have a 10-year term. Compensation cost relating to stock-based compensation grants is recognized on a straight-line basis over the vesting period, which is generally four years.

### **Revenue Recognition**

The Company's revenues result from the sale of tangible products, where revenue is recognized when the earnings process is complete, collectability is reasonably assured, and the risks and rewards of ownership have transferred to the customer, which generally occurs upon shipment of the finished product, but sometimes is upon delivery to customer facilities.

Provisions for customer volume rebates, product returns, discounts and allowances are recorded as a reduction of revenue in the same period the related sales are recorded. Consideration given to customers for cooperative advertising is recognized as a reduction of revenue except to the extent that there is an identifiable benefit and evidence of the fair value of the advertising, in which case the expense is classified as SG&A.

## **B. Significant Accounting Policies (continued)**

### **Cost of Sales and Selling, General and Administrative**

Cost of sales includes the cost of products and services provided reflecting costs of manufacturing and preparing the product for sale. These costs include expenses to acquire and manufacture products to the point that they are allocable to be sold to customers. Cost of sales is primarily comprised of inbound freight, direct materials, direct labor as well as overhead which includes indirect labor, facility and equipment costs. Cost of sales also includes quality control, procurement and material receiving costs as well as internal transfer costs. SG&A costs include the cost of selling products as well as administrative function costs. These expenses generally represent the cost of selling and distributing the products once they are available for sale and primarily include salaries and commissions of the Company's sales force, distribution costs, notably salaries and facility costs, as well as administrative expenses for certain support functions and related overhead.

### **Advertising Costs**

Television advertising is expensed the first time the advertisement airs, whereas other advertising is expensed as incurred. Advertising costs are classified in SG&A and amounted to \$8.2 million and \$7.8 million for the six months ended June 30, 2012 and July 2, 2011, respectively. Expense pertaining to cooperative advertising with customers reported as a reduction of net sales was \$20.3 million and \$20.7 million for the six months ended June 30, 2012 and July 2, 2011, respectively.

### **Sales Taxes**

Sales and value added taxes collected from customers and remitted to governmental authorities are excluded from Net sales reported in the Unaudited Combined Statements of Operations.

### **Shipping and Handling Costs**

The Company generally does not bill customers for freight. Shipping and handling costs associated with inbound freight are reported in cost of sales. Shipping costs associated with outbound freight are reported as a reduction of net sales and amounted to \$14.3 million and \$13.0 million for the six months ended June 30, 2012 and July 2, 2011, respectively. Distribution costs are classified as SG&A and amounted to \$16.9 million and \$17.7 million for the six months ended June 30, 2012 and July 2, 2011, respectively.

### **Postretirement Defined Benefit Plan**

For Company-sponsored plans, the Company uses the corridor approach to determine expense recognition for each defined benefit pension and other postretirement plan. The corridor approach defers actuarial gains and losses resulting from variances between actual and expected results (based on economic estimates or actuarial assumptions) and amortizes them over future periods. For pension plans, these unrecognized gains and losses are amortized when the net gains and losses exceed 10% of the greater of the market-related value of plan assets or the projected benefit obligation at the beginning of the year. For other postretirement benefits, amortization occurs when the net gains and losses exceed 10% of the accumulated postretirement benefit obligation at the beginning of the year. For ongoing, active plans, the amount in excess of the corridor is amortized on a straight-line basis over the average remaining service period for active plan participants. For plans with primarily inactive participants, the amount in excess of the corridor is amortized on a straight-line basis over the average remaining life expectancy of inactive plan participants.

## **B. Significant Accounting Policies (continued)**

### **Income Taxes**

The Company's operations are included in separate income tax returns filed with the appropriate taxing jurisdictions, except for U.S. federal and certain state and foreign jurisdictions in which the Company's operations are included in the income tax returns of the Parent or an affiliate.

The provision for income taxes is computed as if the Company filed on a combined stand-alone or separate tax return basis, as applicable. The provision for income taxes does not reflect the Company's inclusion in the tax returns of the Parent or an affiliate. It also does not reflect certain actual tax efficiencies realized by the Parent in its combined tax returns that include the Company, due to legal structures it employs outside the Company. Certain income taxes of the Company are paid by the Parent or an affiliate on behalf of the Company. The payment of income taxes by the Parent or affiliate on behalf of the Company is recorded within Parent company's net investment and accumulated earnings on the Unaudited Combined Balance Sheet.

Deferred income taxes and related tax expense have been recorded by applying the asset and liability approach to the Company as if it was a separate taxpayer. Deferred tax liabilities and assets are recognized for the expected future tax consequences of events that have been reflected in the combined financial statements. Deferred tax liabilities and assets are determined based on the differences between the book values and the tax bases of the particular assets and liabilities, using enacted tax rates and laws in effect for the years in which the differences are expected to reverse. A valuation allowance is provided when the Company determines that it is more likely than not that a portion of the deferred tax asset balance will not be realized.

The Company records uncertain tax positions in accordance with ASC 740 which requires a two step process, first management determines whether it is more likely than not that a tax position will be sustained based on the technical merits of the position and second, for those tax positions that meet the more likely than not threshold, management recognizes the largest amount of the tax benefit that is greater than 50 percent likely to be realized upon ultimate settlement with the related taxing authority. The Company maintains an accounting policy of recording interest and penalties on uncertain tax positions as a component of the income tax expense in the Unaudited Combined Statements of Operations.

### **New Accounting Standards**

In September 2011, the FASB issued ASU 2011-08, "Intangibles – Goodwill and Other (Topic 350) – Testing Goodwill for Impairment (revised standard)." The revised standard is intended to reduce the costs and complexity of the annual goodwill impairment test by providing entities an option to perform a "qualitative" assessment to determine whether further impairment testing is necessary. This ASU is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. The Company will consider this new guidance as it conducts its annual goodwill impairment testing during the third quarter of 2012.

## B. Significant Accounting Policies (continued)

In January of 2012, the Company adopted ASU 2011-05, "Comprehensive Income (Topic 220)," which revised the manner in which the Company presents comprehensive income in the financial statements. The new guidance requires entities to report components of comprehensive income in either (1) continuous statement of comprehensive income or (2) two separate but consecutive statements. The ASU did not change the items that must be reported in other comprehensive income.

In July 2012, the FASB issued ASU 2012-02, "Intangibles – Goodwill and Other (Topic 350) – Testing Indefinite-Lived Intangible Assets for Impairment (revised standard)." This revised standard provides entities with the option to first assess qualitatively whether it is more likely than not that an indefinite-lived intangible asset is impaired. An entity is not required to calculate the fair value of an indefinite-lived intangible asset and perform the quantitative impairment test unless the entity determines that it is more likely than not that the asset is impaired. An entity can choose to perform the qualitative assessment on none, some, or all of its indefinite-lived intangible assets. Moreover, an entity can bypass the qualitative assessment and perform the quantitative impairment test for any indefinite-lived intangible asset in any period. This ASU is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. The Company will consider this new guidance as it conducts its annual impairment testing during the third quarter of 2012.

## Subsequent Events

The Company has evaluated all subsequent events through August 30, 2012, the date of issuance of these financial statements and footnotes.

## C. Accounts Receivable

	<u>June 30,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
	<i>(In Millions)</i>	
Gross accounts receivable	<u>\$ 123.5</u>	<u>\$ 110.2</u>
Allowance for doubtful accounts	<u>(2.1)</u>	<u>(2.1)</u>
Accounts receivable, net	<u>\$ 121.4</u>	<u>\$ 108.1</u>

Trade receivables are dispersed among a large number of retailers, distributors and industrial accounts in many countries. Adequate reserves have been established to cover anticipated credit losses.

### C. Accounts Receivable (continued)

The Company was part of the Parent's accounts receivable sale program in fiscal 2010 and 2011. According to the terms of that program, the Parent is required to sell certain of its trade accounts receivables at fair value to a wholly owned, consolidated, bankruptcy-remote special purpose subsidiary ("BRS"). The BRS, in turn, must sell such receivables to a third-party financial institution ("Purchaser") for cash and a deferred purchase price receivable. The Purchaser's maximum cash investment in the receivables at any time is \$100.0 million. The purpose of the program is to provide liquidity to the Parent. These transfers are accounted for as sales under ASC 860 "Transfers and Servicing". Receivables are derecognized from the Combined Balance Sheets when the BRS sells those receivables to the Purchaser. The Company has no retained interests in the transferred receivables, other than collection and administrative responsibilities and its right to the deferred purchase price receivable. At December 31, 2011, the Parent, as well as the Company, did not record a servicing asset or liability related to its retained responsibility, based on its assessment of the servicing fee, market values for similar transactions and its cost of servicing the receivables sold.

At December 31, 2011, as the Company ended its participation in the program during the year, no amounts were derecognized. All cash flows for the six months ended July 2, 2011 under the program are reported as a component of changes in accounts receivable within operating activities in the Unaudited Combined Statements of Cash Flows since all the cash from the Purchaser is either received upon the initial sale of the receivable or from the ultimate collection of the underlying receivables and the underlying receivables are not subject to significant risks, other than credit risk, given their short-term nature.

### D. Inventories

	<u>June 30,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
	<i>(In Millions)</i>	
Finished products	<b>\$ 124.8</b>	\$ 130.2
Work in process	<b>13.1</b>	13.5
Raw materials	<b>30.9</b>	27.5
Total	<b><u>\$ 168.8</u></b>	<b><u>\$ 171.2</u></b>

Net inventories in the amount of \$87.8 million at June 30, 2012 and \$78.0 million at December 31, 2011 were valued at the lower of LIFO cost or market. If the LIFO method had not been used, inventories would have been \$13.2 million higher than reported at June 30, 2012 and \$14.6 million higher than reported at December 31, 2011.

## E. Property, Plant and Equipment

	<u>June 30,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
	<i>(In Millions)</i>	
Land	\$ 6.6	\$ 6.7
Land improvements	6.2	6.2
Buildings	50.2	50.2
Leasehold improvements	11.4	11.3
Machinery and equipment	117.6	116.2
Computer software	14.6	14.4
Property, plant and equipment, gross	206.6	205.0
Less: accumulated depreciation and amortization	(103.7)	(94.3)
Property, plant and equipment, net	<u>\$ 102.9</u>	<u>\$ 110.7</u>

Depreciation and amortization expense associated with property, plant and equipment was \$12.7 million and \$14.2 million for the six months ended June 30, 2012 and July 2, 2011, respectively.

## F. Goodwill and Intangible Assets

### Goodwill

The changes in the carrying amount of goodwill are as follows:

	<u>Six Months Ended</u> <u>June 30, 2012</u>
	<i>(In Millions)</i>
Beginning balance	\$ 573.6
Foreign currency translation	(1.0)
Ending balance	<u>\$ 572.6</u>



## F. Goodwill and Intangible Assets (continued)

### Intangible Assets

Intangible assets at June 30, 2012 and December 31, 2011 were as follows:

	June 30, 2012		December 31, 2011	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
<i>(In Millions)</i>				
Amortized intangible assets – definite lives:				
Patents and technology	\$ 25.1	\$ (6.5)	\$ 25.0	\$ (4.5)
Trade names	108.0	(20.0)	108.0	(15.4)
Customer relationships	64.9	(27.8)	65.1	(25.2)
Total	<u>\$ 198.0</u>	<u>\$ (54.3)</u>	<u>\$ 198.1</u>	<u>\$ (45.1)</u>

Total indefinite-lived trade names are \$18.1 million at June 30, 2012 and December 31, 2011, relating to the National Hardware tradename. Future amortization expense for the six months ending December 29, 2012 amounts to \$8.4 million. Future amortization expense in each of the next five fiscal years amounts to \$17.8 million for 2013, \$17.2 million for 2014, \$15.9 million for 2015, \$14.5 million for 2016, \$13.3 million for 2017 and \$56.6 million thereafter.

### G. Accrued Expenses

Accrued expenses at June 30, 2012 and December 31, 2011 were as follows:

	June 30, 2012	December 31, 2011
	<i>(In Millions)</i>	
Payroll and related taxes	\$ 9.7	\$ 10.6
Customer rebates and sales returns	9.7	11.7
Accrued restructuring costs	7.0	7.8
Accrued freight	3.3	4.1
Insurance and benefits	5.3	5.9
Accrued litigation	—	5.0
Accrued income taxes	2.3	3.0
ESOP	1.9	4.5
Warranty costs	4.2	4.4
Other	6.4	7.5
Total	<u>\$ 49.8</u>	<u>\$ 64.5</u>

## H. Fair Value Measurements

### Fair Value Measurements

ASC 820 defines, establishes a consistent framework for measuring, and expands disclosure requirements about fair value. ASC 820 requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs create the following fair value hierarchy:

*Level 1* – Quoted prices for identical instruments in active markets.

*Level 2* – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs and significant value drivers are observable.

*Level 3* – Instruments that are valued using unobservable inputs.

### Assets and Liabilities Recorded at Fair Value on a Recurring Basis

The fair values of debt instruments are estimated using a discounted cash flow analysis using the Company's marginal borrowing rates. The fair value of affiliate debt was \$386.0 and \$445.5 at June 30, 2012 and December 31, 2011, respectively.

### I. Stock Based Compensation

*Stock Options:* During the six month period ended June 30, 2012 there were 12,500 options in the common stock of the Parent granted to employees of the Company. No options were granted during the six months ended July 2, 2011. At June 30, 2012 and December 31, 2011, there were 181,962 and 204,074 options outstanding, respectively. Stock option expense recognized for both the six months ended June 30, 2012 and July 2, 2011 was \$0.2 million. Expense was recognized based on the fair value of the option awards granted to participating employees of the Company. As of June 30, 2012 and December 31, 2011, unrecognized compensation expense amounted to \$1.0 million.

*Employee Stock Purchase Plan:* The Employee Stock Purchase Plan ("ESPP") of the Parent enables eligible employees in the United States and Canada to subscribe at any time to purchase shares of common stock on a monthly basis at the lower of 85% of the fair market value of the shares on the grant date (\$48.94 per share for fiscal year 2012 purchases) or 85% of the fair market value of the shares on the last business day of each month. ESPP compensation cost is recognized ratably over the one-year term based on actual employee stock purchases under the plan.

During the six month periods ended June 30, 2012 and July 2, 2011, 2,285 shares and 6,046 shares were issued to employees of the Company at average prices of \$48.94 and \$50.42 per share, respectively. Total compensation expense recognized by the Company for the six months ended June 30, 2012 and July 2, 2011 was \$0.3 million and \$0.1 million, respectively.

## **I. Stock Based Compensation (continued)**

*Restricted Share Units:* Compensation cost for restricted share units (“RSU”) granted to employees of the Company is recognized ratably over the vesting term, which varies but is generally 4 years. RSU grants totaled 24,715 shares for the six months ended June 30, 2012. There were no RSU grants during the six month period ended July 2, 2011. The weighted-average grant date fair value of the RSU’s granted in 2012 was \$74.38. Total compensation expense recognized for RSU’s amounted to \$0.1 million for both the six months ended June 30, 2012 and July 2, 2011. As of June 30, 2012 and December 31, 2011, unrecognized compensation cost amounted to \$1.0 million.

*Long-Term Performance Awards:* The Parent has granted Long Term Performance Awards (“LTIPs”) under its 1997, 2001 and 2009 Long Term Incentive Plans to senior management employees of the Company for achieving Parent performance measures. Awards are payable in shares of the Parent common stock, which may be restricted if the employee has not achieved certain stock ownership levels, and generally no award is made if the employee terminates employment prior to the payout date.

*Working capital incentive plan:* In 2010, the Parent initiated a bonus program under its 2009 Long Term Incentive Plan that provides executives the opportunity to receive stock in the event certain working capital turn objectives are achieved by June 2013 and are sustained for a period of at least six months. The ultimate issuances of shares, if any, will be determined based on achievement of objectives during the performance period.

*Other Long-Term Performance Awards:* There were no LTIP grants made in the six month period ended June 30, 2012. A potential maximum of 3,851 LTIP grants were made in 2011 to an employee of the Company. Each grant has separate annual performance goals for each year within the respective three year performance period associated with each award. Parent earnings per share and return on capital employed represent 75% of the share payout of each grant, with the remaining 25% a market-based element, measuring the Parent’s common stock return relative to peers over the performance period. The ultimate delivery of shares will occur in 2014 for the 2011 grant. Total payouts are based on actual performance in relation to these goals. Total compensation expense recognized for LTIP awards for both the six months ended June 30, 2012 and July 2, 2011 was \$0.1 million.

## **J. Employee Benefit Plans**

### **Employee Stock Ownership Plan (“ESOP”)**

Most of the Company’s U.S. employees are allowed to participate in a tax-deferred 401(k) savings plan administered and sponsored by the Parent. Eligible employees may contribute from 1% to 25% of their eligible compensation to a tax-deferred 401(k) savings plan, subject to restrictions under tax laws. Employees generally direct the investment of their own contributions into various investment funds. During the six month periods ended June 30, 2012 and July 2, 2011, an employer match benefit was provided under the plan equal to one-half of each employee’s tax-deferred contribution up to the first 7% of their compensation. Participants direct the entire employer match benefit such that no participant is required to hold the Parent’s common stock in their 401(k) account. The Company’s employer match benefit for the six months ended June 30, 2012 and July 2, 2011 totaled \$1.0 million and \$1.2 million, respectively.

## **J. Employee Benefit Plans (continued)**

In addition, approximately 1,500 of the Company's U.S. salaried and non-union hourly employees are eligible to receive a non-contributory benefit under the Core benefit plan. Core benefit allocations range from 2% to 6% of eligible employee compensation based on age. Approximately 1,200 U.S. employees also receive a Core transition benefit, allocations of which range from 1% – 3% of eligible compensation based on age and date of hire. Approximately 200 U.S. employees are eligible to receive an additional average 1.2% contribution actuarially designed to replace previously curtailed pension benefits. The Company's allocations for benefits earned under the Core plan for the six months ended June 30, 2012 and July 2, 2011 were \$1.9 million and \$1.3 million, respectively. Assets held in participant Core accounts are invested in target date retirement funds which have an age-based allocation of investments.

The Parent accounts for the ESOP under ASC 718-40, "Compensation – Stock Compensation – Employee Stock Ownership Plans". Net ESOP activity recognized is comprised of the cost basis of shares released, the cost of the aforementioned Core and 401(k) match defined contribution benefits, less the fair value of shares released and dividends on unallocated ESOP shares. The Company's net ESOP activity during the six months ended June 30, 2012 and July 2, 2011 resulted in expense of \$1.7 million and \$1.4 million, respectively. The 401(k) employer match and Core benefit elements of net ESOP expense represent the actual benefits earned by the Company's participants in each year, while the cost basis of shares released, the fair value of shares released and the dividends on unallocated shares elements are based on the proportion of the Company's actual earned benefits in relation to the Parent's ESOP total earned benefits. ESOP expense is affected by the market value of the Parent's common stock on the monthly dates when shares are released. The market value of shares released during the six month periods ended June 30, 2012 and July 2, 2011 averaged \$71.29 and \$73.95 per share, respectively.

### *Parent Sponsored Pension Plans*

The Company participates in certain U.S. and Canadian plans sponsored solely by the Parent. All participants in the plans are employees or former employees of the Parent, either directly or through its subsidiaries. The primary U.S. plan was curtailed in 2010 and the other plans are generally also curtailed with no additional service benefits to be earned by participants. The Company's expense associated with the parent sponsored plans for the six months ended June 30, 2012 and July 2, 2011 was \$1.5 million and \$1.6 million, respectively.

## J. Employee Benefit Plans (continued)

### Defined Contribution Plans

In addition to the ESOP, various other defined contribution plans are sponsored worldwide, including a tax-deferred 401(k) savings plan covering certain U.S. employees. The expense for such defined contribution plans, aside from the earlier discussed ESOP, was \$0.7 million and \$0.8 million for the six months ended June 30, 2012 and July 2, 2011, respectively.

### Defined Benefit Plans

**Pension and other benefit plans** – The Company sponsors pension plans covering approximately 300 domestic employees and 4,000 foreign employees (primarily in Mexico). Benefits are generally based on salary and years of service, except for U.S. collective bargaining employees whose benefits are based on a stated amount for each year of service.

Following are the components of net periodic benefit cost:

	U.S. Plan		Non-U.S. Plans	
	Six Months Ended		Six Months Ended	
	June 30, 2012	July 2, 2011	June 30, 2012	July 2, 2011
Service cost	\$ 0.1	\$ 0.1	\$ 0.3	\$ 0.3
Interest cost	1.6	1.7	0.3	0.3
Expected return on plan assets	(1.8)	(1.7)	—	—
Amortization of actuarial loss	0.3	0.2	—	—
Net periodic pension expense	<u>\$ 0.2</u>	<u>\$ 0.3</u>	<u>\$ 0.6</u>	<u>\$ 0.6</u>

## J. Employee Benefit Plans (continued)

The Company provides medical and dental fixed subsidy benefits for certain retired employees in the United States. Approximately 30 participants are covered under this plan. Net periodic post-retirement benefit expense was comprised of the following elements:

	<u>Other Benefit Plan</u>	
	<u>Six Months Ended</u>	
	<u>June 30,</u>	<u>July 2,</u>
	<u>2012</u>	<u>2011</u>
	<i>(In Millions)</i>	
Interest cost	\$ —	\$ 0.1
Prior service credit amortization	<u>(0.1)</u>	<u>(0.1)</u>
Net periodic post-retirement benefit (income) expense	<u>\$ (0.1)</u>	<u>\$ —</u>

Changes in plan assets and benefit obligations recognized in other comprehensive income during the six months ended June 30, 2012 are as follows:

	<u>Six Months Ended</u>	
	<u>June 30, 2012</u>	
	<i>(In Millions)</i>	
Current year actuarial loss	\$ 0.1	
Amortization of actuarial gain	<u>(0.2)</u>	
Total gain recognized in other comprehensive income (pre-tax)	<u>\$ (0.1)</u>	

The amounts in accumulated other comprehensive loss expected to be recognized as components of net periodic benefit costs during 2013 total \$0.2 million, representing the amortization of actuarial losses.

## J. Employee Benefit Plans (continued)

The changes in the pension and other post-retirement benefit obligations, fair value of plan assets, as well as amounts recognized in the Unaudited Combined Balance Sheets, are shown below:

	U.S. Plans		Non-U.S. Plans		Other Benefits	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
<b>Change in benefit obligation</b>						
Benefit obligation at end of prior year	\$ 74.0	\$ 67.3	\$ 5.7	\$ 7.2	\$ 3.5	\$ 4.4
Service cost	0.1	0.2	0.2	0.7	—	—
Interest cost	1.7	3.4	0.3	0.5	0.1	0.2
Settlements/curtailments	—	—	—	(0.1)	—	—
Actuarial (gain) loss	0.9	6.8	—	(1.4)	(0.9)	(0.7)
Foreign currency exchange rates	—	—	0.1	(0.7)	—	—
Acquisitions, divestitures and other	(0.1)	(0.2)	—	—	—	—
Benefits paid	(1.8)	(3.5)	(0.5)	(0.5)	(0.2)	(0.4)
Benefit obligation at end of period	<u>\$ 74.8</u>	<u>\$ 74.0</u>	<u>\$ 5.8</u>	<u>\$ 5.7</u>	<u>\$ 2.5</u>	<u>\$ 3.5</u>
<b>Change in plan assets</b>						
Fair value of plan assets at end of prior year	\$ 55.2	\$ 53.3	\$ —	\$ —	\$ —	\$ —
Actual return on plan assets	1.7	5.1	—	—	—	—
Employer contributions	0.4	0.5	0.5	0.5	0.2	0.4
Acquisitions, divestitures and other	—	(0.2)	—	—	—	—
Benefits paid	(1.8)	(3.5)	(0.5)	(0.5)	(0.2)	(0.4)
Fair value of plan assets at June 30, 2012	<u>\$ 55.5</u>	<u>\$ 55.2</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Funded status – assets less the benefit obligation	\$ (19.3)	\$ (18.8)	\$ (5.8)	\$ (5.7)	\$ (2.5)	\$ (3.5)
Unrecognized net actuarial loss (gain)	20.9	20.2	0.2	0.2	(2.9)	(2.2)
Net amount recognized	<u>\$ 1.6</u>	<u>\$ 1.4</u>	<u>\$ (5.6)</u>	<u>\$ (5.5)</u>	<u>\$ (5.4)</u>	<u>\$ (5.7)</u>
<b>Amounts recognized in the Unaudited Combined Balance Sheets</b>						
Current benefit liability	\$ —	\$ —	\$ (0.3)	\$ (0.2)	\$ (0.3)	\$ (0.5)
Non-current benefit liability	(19.3)	(18.8)	(5.5)	(5.5)	(2.2)	(3.0)
Net liability recognized	<u>\$ (19.3)</u>	<u>\$ (18.8)</u>	<u>\$ (5.8)</u>	<u>\$ (5.7)</u>	<u>\$ (2.5)</u>	<u>\$ (3.5)</u>
Accumulated other comprehensive loss (gain) (pre-tax):						
Actuarial loss (gain)	\$ 20.9	\$ 20.2	\$ 0.2	\$ 0.2	\$ (2.9)	\$ (2.2)
Net amount recognized	<u>\$ 1.6</u>	<u>\$ 1.4</u>	<u>\$ (5.6)</u>	<u>\$ (5.5)</u>	<u>\$ (5.4)</u>	<u>\$ (5.7)</u>

## J. Employee Benefit Plans (continued)

The accumulated benefit obligation for all defined benefit pension plans was \$78.3 million at June 30, 2012 and \$77.2 million at December 31, 2011. Information regarding pension plans in which the accumulated benefit obligations exceed plan assets and pension plans in which projected benefit obligations (inclusive of anticipated future compensation increases) exceed plan assets follows:

	U.S. Plan		Non-U.S. Plans	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
	<i>(In Millions)</i>			
Projected benefit obligation	\$ 74.8	\$ 74.0	\$ 5.8	\$ 5.7
Accumulated benefit obligation	\$ 74.8	\$ 74.0	\$ 3.5	\$ 3.2
Fair value of plan assets	\$ 55.5	\$ 55.2	\$ —	\$ —

The major assumptions used in valuing pension and post-retirement plan obligations and net costs were as follows:

	Pension Benefits				Other Benefits	
	U.S. Plans		Non-U.S. Plans		U.S. Plan	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
<b>Weighted-average assumptions used to determine benefit obligations at year end</b>						
Discount rate	4.50%	4.50%	8.75%	8.75%	4.00%	4.00%
Rate of compensation increase	— %	— %	4.75%	4.75%	— %	— %
<b>Weighted-average assumptions used to determine net periodic benefit cost</b>						
Discount rate	4.50%	5.25%	8.75%	7.25%	4.00%	5.00%
Rate of compensation increase	— %	— %	4.75%	4.75%	— %	— %
Expected return on plan assets	6.50%	6.75%	— %	— %	— %	— %

The expected rate of return on plan assets is determined considering the returns projected for the various asset classes and the relative weighting for each asset class considering the target asset allocations. In addition the Company considers historical performance, the recommendations from outside actuaries and other data in developing the return assumption. The Company expects to use a weighted-average rate of return assumption of 6.5% for the U.S. plan, in the determination of fiscal 2013 net periodic benefit expense.



## J. Employee Benefit Plans (continued)

### Pension Plan Assets

Plan assets are invested in equity securities, government and corporate bonds and other fixed income securities, and money market instruments. The Company's worldwide asset allocations at June 30, 2012 and December 31, 2011 by asset category and the level of the valuation inputs within the fair value hierarchy established by ASC 820 are as follows:

	June 30, 2012	Level 1	Level 2
<b>Asset Category</b>			
Cash and cash equivalents	\$ 1.1	\$ 0.5	\$ 0.6
Equity securities:			
U.S. equity securities	11.3	2.0	9.3
Foreign equity securities	13.7	13.7	—
Fixed income securities:			
Government securities	15.6	14.4	1.2
Corporate securities	13.8	—	13.8
<b>Total</b>	<b>\$ 55.5</b>	<b>\$ 30.6</b>	<b>\$ 24.9</b>

	December 31, 2011	Level 1	Level 2
<b>Asset Category</b>			
Cash and cash equivalents	\$ 0.6	\$ 0.2	\$ 0.4
Equity securities:			
U.S. equity securities	16.3	2.8	13.5
Foreign equity securities	9.0	9.0	—
Fixed income securities:			
Government securities	15.3	14.4	0.9
Corporate securities	13.7	—	13.7
Other	0.3	—	0.3
<b>Total</b>	<b>\$ 55.2</b>	<b>\$ 26.4</b>	<b>\$ 28.8</b>



## K. Accumulated Other Comprehensive Income

Accumulated other comprehensive income is as follows:

	June 30, 2012	December 31, 2011
	(In Millions)	
Currency translation adjustment	\$ 33.5	\$ 36.3
Pension loss, net of tax	(11.5)	(12.0)
Accumulated other comprehensive income	<u>\$ 22.0</u>	<u>\$ 24.3</u>

## L. Other Costs and Expenses

Other-net is primarily comprised of intangible asset amortization expense (See Note F Goodwill and Intangible Assets for further discussion), currency related gains or losses, and environmental expense. Research and development costs, which are classified in SG&A, were \$3.2 million and \$3.3 million for the six months ended June 30, 2012 and July 2, 2011, respectively.

## M. Restructuring

A summary of the restructuring reserve activity from December 31, 2011 to June 30, 2012 is as follows (in millions):

	December 31, 2011	Additions	Usage	June 30, 2012
<b>2012 Actions</b>				
Severance and related costs	\$ —	\$ 2.7	\$(0.3)	\$ 2.4
<b>Pre-2012 Actions</b>				
Severance and related costs	7.8	—	(3.2)	4.6
Total	<u>\$ 7.8</u>	<u>\$ 2.7</u>	<u>\$(3.5)</u>	<u>\$ 7.0</u>

*2012 Actions:* During the six months ended June 30, 2012, the Company recognized \$2.7 million of severance charges associated with cost actions initiated in the current year. The charges relate to the reduction of approximately 150 employees.

## M. Restructuring (continued)

*Pre-2012 Actions:* For the year ended December 31, 2011 the Company initiated restructuring activities associated with the Merger, largely related to employee related actions. As of December 31, 2011, the reserve balance related to these pre-2012 actions totaled \$7.8 million.

Utilization of the reserve balance related to pre-2012 actions was \$3.2 million in 2012. The vast majority of the remaining reserve balance of \$4.6 million is expected to be utilized in 2012 and early in 2013.

## N. Business Segments and Geographic Areas

### Business Segments

The Company operates as one reportable segment, inclusive of its plumbing-related products, lock and hardware products which have been aggregated consistent with the criteria in ASC 280. The Company's operations are principally managed on a products and services basis. In accordance with ASC 280, Segment Reporting, the Company reports segment information based upon the management approach. The management approach designates the internal reporting used by the chief operating decision maker, or the CODM for making decisions about resource allocations to segments and assessing performance. The CODM allocates resources to and assesses the performance of the operating segment using information based on earnings before interest, taxes, depreciation, and amortization.

### Geographic Areas

Geographic net sales and long-lived assets are attributed to the geographic regions based on the geographic location of each Company subsidiary.

	Six Months Ended	
	June 30, 2012	July 2, 2011
	<i>(In Millions)</i>	
<b>Net sales</b>		
United States	<b>\$376.3</b>	\$374.2
Canada	<b>52.8</b>	52.7
Other America	<b>45.3</b>	49.0
Asia	<b>18.9</b>	15.0
Combined	<b><u>\$493.3</u></b>	<u>\$490.9</u>

**N. Business Segments and Geographic Areas (continued)**

	June 30, 2012	December 31, 2011
	<i>(In Millions)</i>	
<b>Property, plant and equipment</b>		
United States	\$ 94.7	\$ 102.6
Canada	4.3	4.4
Other Americas	3.6	3.5
Asia	0.3	0.2
Combined	<u>\$102.9</u>	<u>\$ 110.7</u>

**O. Income Taxes**

Significant components of the Company's deferred tax assets and liabilities as of June 30, 2012 and December 31, 2011 were as follows:

	June 30, 2012	December 31, 2011
	<i>(In Millions)</i>	
Deferred tax liabilities:		
Amortization of intangibles	\$ 58.9	\$ 61.6
Depreciation	5.0	3.7
Other	3.3	2.3
Total deferred tax liabilities	<u>\$ 67.2</u>	<u>\$ 67.6</u>
Deferred tax assets:		
Accruals	\$ 23.7	\$ 22.9
Employee benefit plans	9.7	9.6
Inventories	8.5	7.3
Operating loss and tax credit carry forwards	13.2	12.2
Restructuring charges	2.8	2.9
Allowance for doubtful accounts	1.0	1.2
Other	3.3	3.1
Total deferred tax assets	<u>\$ 62.2</u>	<u>\$ 59.2</u>
Net deferred tax liabilities before valuation allowance	\$ 5.0	\$ 8.4
Valuation allowance	\$ 12.1	\$ 12.2
Net deferred tax liabilities after valuation allowance	<u>\$ 17.1</u>	<u>\$ 20.6</u>

## O. Income Taxes (continued)

Net operating loss carry forwards of \$21.3 million and \$16.8 million respectively, at June 30, 2012 and December 31, 2011, are available to reduce future tax obligations of certain U.S. state and foreign companies. The net operating loss carry forwards have various expiration dates beginning in the second half of 2012 with certain jurisdictions having indefinite carry forward periods.

A valuation allowance is recorded on certain deferred tax assets if it has been determined it is more likely than not that all or a portion of these assets will not be realized. The Company has recorded a valuation allowance of \$12.1 million and \$12.2 million for deferred tax assets existing as of June 30, 2012 and December 31, 2011, respectively.

The classification of deferred taxes as of June 30, 2012 and December 31, 2011 were as follows (in millions):

	June 30, 2012		December 31, 2011	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Current	\$ 25.3	\$ (0.7)	\$ 22.4	\$ (0.7)
Non-current	5.2	(46.9)	3.4	(45.7)
Total	<u>\$ 30.5</u>	<u>\$ (47.6)</u>	<u>\$ 25.8</u>	<u>\$ (46.4)</u>

Income tax expense for the six months ended June 30, 2012 and July 2, 2011 consisted of the following:

	June 30, 2012	July 2, 2011
	<i>(In Millions)</i>	
Current:		
Federal	\$ 6.3	\$(0.4)
Foreign	8.9	9.3
State	0.4	0.8
Total current	<u>\$ 15.6</u>	<u>\$ 9.7</u>
Deferred:		
Federal	\$ (2.5)	\$ 0.9
Foreign	(2.5)	(2.2)
State	—	0.2
Total deferred	<u>(5.0)</u>	<u>(1.1)</u>
Provision for income taxes	<u>\$ 10.6</u>	<u>\$ 8.6</u>

In general, there were no income taxes paid directly to any taxing authority by the Company for the six month periods ended June 30, 2012 and July 2, 2011. Any liability owed by the Company due to taxable income generated is settled through intercompany transfers with the Parent. Had the Company paid its own tax liabilities during tax periods ended June 30, 2012 and July 2, 2011, the net payments would have been approximately \$15.6 million and \$9.7 million, respectively.

## O. Income Taxes (continued)

The reconciliation of federal income tax at the statutory federal rate to income tax at the effective rate for the six months ended June 30, 2012 and July 2, 2011 is as follows:

	<u>June 30, 2012</u>	<u>July 2, 2011</u>
	<i>(In Millions)</i>	
Tax at statutory rate	\$ 12.0	\$ 9.8
State income taxes, net of federal benefits	0.4	0.2
Difference between foreign and federal income tax	(1.3)	(0.9)
NOL and valuation allowance items	(0.1)	0.5
Other, net	(0.4)	(1.0)
Income taxes on continuing operations	<u>\$ 10.6</u>	<u>\$ 8.6</u>

The components of earnings before provision for income taxes for the six months ended June 30, 2012 and July 2, 2011 consisted of the following:

	<u>June 30, 2012</u>	<u>July 2, 2011</u>
	<i>(In Millions)</i>	
United States	\$ 11.1	\$ 3.6
Foreign	23.3	24.3
Earnings before income taxes	<u>\$ 34.4</u>	<u>\$27.9</u>

Any undistributed foreign earnings of the Company at June 30, 2012, are considered to be invested indefinitely or will be remitted substantially free of additional U.S. tax. Accordingly, no provision has been made for taxes that might be payable upon remittance of such earnings, nor is it practicable to determine the amount of such liability. The Company classifies all tax-related interest and penalties in the provision for income taxes.

The Company considers many factors when evaluating and estimating our tax positions and the impact on income tax expense, which may require periodic adjustments and which may not accurately anticipate actual outcomes. As of June 30, 2012 the company no longer requires a liability for unrecognized tax benefits. The Company is subject to the examination of its income tax returns by the Internal Revenue Service (IRS) and other tax authorities in conjunction with the IRS audit of the Parent. The tax years under examination vary by jurisdiction. The Company is included in the IRS examination of the Parent for tax years 2008 and 2009. The Company also files many state and foreign income tax returns in jurisdictions with varying statutes of limitations. Tax years 2008 and forward generally remain subject to examination by most state tax authorities. In foreign jurisdictions, tax years 2007 and forward generally remain subject to examination.

## P. Commitments and Guarantees

### Commitments

The Company has non-cancelable operating lease agreements, principally related to facilities, vehicles, machinery and equipment. Rental expense for operating leases was \$6.1 and \$7.2 million for the six months ended June 30, 2012 and July 2, 2011, respectively.

The following is a summary of the Company's future commitments which span more than one future fiscal year:

	<u>Total</u>	<u>Remaining 2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Operating lease obligations	\$23.8	\$ 2.7	\$5.6	\$5.3	\$4.7	\$3.5	\$2.0

### Guarantees

The Company issued a standby letter of credit for \$0.3 million to guarantee future payments which may be required under an insurance program.

The Company provides product and service warranties. The types of warranties offered generally range from one year to limited lifetime, while certain products carry no warranty. Further, the Company sometimes incurs discretionary costs to service its products in connection with product performance issues. Historical warranty and service claim experience forms the basis for warranty obligations recognized. Adjustments are recorded to the warranty liability as new information becomes available.

Following is a summary of the warranty activity for the six months ended June 30, 2012 and July 2, 2011:

	<u>June 30, 2012</u>	<u>July 2, 2011</u>
	<i>(In Millions)</i>	
Beginning balance	\$ 4.4	\$ 4.3
Warranties issued	4.4	3.2
Warranty payments	(4.6)	(2.9)
Ending balance	<u>\$ 4.2</u>	<u>\$ 4.6</u>



## Q. Contingencies

The Company is involved in various legal proceedings relating to environmental issues, employment, product liability, workers' compensation claims and other matters. The Company periodically reviews the status of these proceedings with both inside and outside counsel, as well as an actuary for risk insurance. Management believes that the ultimate disposition of these matters will not have a material adverse effect on operations or financial condition taken as a whole.

The amount recorded for identified contingent liabilities is based on estimates. Amounts recorded are reviewed periodically and adjusted to reflect additional technical and legal information that becomes available. Actual costs to be incurred in future periods may vary from the estimates, given the inherent uncertainties in evaluating certain exposures. Subject to the imprecision in estimating future contingent liability costs, the Company does not expect that any sum it may have to pay in connection with these matters in excess of the amounts recorded will have a materially adverse effect on its financial position, results of operations or liquidity.

In connection with the Merger, the Company assumed certain commitments and contingent liabilities. HHI is a party to litigation and administrative proceedings with respect to claims involving the discharge of hazardous substances into the environment. Some of these assert claims for damages and liability for remedial investigations and clean-up costs with respect to sites that have never been owned or operated by HHI but at which HHI has been identified as a potentially responsible party. Other matters involve current and former manufacturing facilities.

In the event that no amount in the range of probable loss is considered most likely, the minimum loss in the range is accrued. In the normal course of business, the Company is involved in various lawsuits and claims. In addition, the Company is a party to a number of proceedings before federal and state regulatory agencies relating to environmental remediation. Also, the Company, along with many other companies, has been named as a PRP in a number of administrative proceedings for the remediation of various waste sites, including 3 active Superfund sites. Current laws potentially impose joint and several liabilities upon each PRP. In assessing its potential liability at these sites, the Company has considered the following: whether responsibility is being disputed, the terms of existing agreements, experience at similar sites, and the Company's volumetric contribution at these sites.

The Company's policy is to accrue environmental investigatory and remediation costs for identified sites when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. The amount of liability recorded is based on an evaluation of currently available facts with respect to each individual site and includes such factors as existing technology, presently enacted laws and regulations, and prior experience in remediation of contaminated sites. The liabilities recorded do not take into account any claims for recoveries from insurance or third parties. As assessments and remediation progress at individual sites, the amounts recorded are reviewed periodically and adjusted to reflect additional technical and legal information that becomes available. As of June 30, 2012 and December 31, 2011, the Company had reserves of \$26.9 million and \$26.7 million, respectively, for remediation activities associated with Company-owned properties, as well as for Superfund sites, for losses that are probable and estimable. Of the 2012 amount, \$1.6 million is classified as current and \$25.3 million as long-term which is expected to be paid over the estimated remediation period.

---

**Q. Contingencies (continued)**

The range of environmental remediation costs that is reasonably possible is \$19.0 million to \$44.7 million which is subject to change in the near term. The Company may be liable for environmental remediation of sites it no longer owns. Liabilities have been recorded on those sites in accordance with policy.

The environmental liability for certain sites that have cash payments beyond the current year that are fixed or reliably determinable have been discounted using a rate of 2.1% to 3.8%, depending on the expected timing of disbursements. The discounted and undiscounted amount of the liability relative to these sites is \$7.7 million and \$15.6 million, respectively. The payments relative to these sites are expected to be \$0.4 million in the remainder of 2012, \$0.7 million in 2013, \$0.7 million in 2014, \$0.8 million in 2015, \$0.4 million in 2016, and \$12.6 million thereafter.

**Unaudited Pro Forma Condensed Combined Financial Statements  
of Harbinger Group Inc.**

**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS**

(Amounts in millions, except per share amounts)

The following unaudited pro forma condensed combined condensed financial statements for the year ended September 30, 2012, the date of our latest publicly available financial information, gives effect to (i) the HHI Acquisition and related financing, (ii) the joint venture with EXCO Resources, Inc. ("EXCO"), and (iii) the refinancing of the existing \$500 of Senior Secured Notes with \$650 of new Senior Secured Notes. Unless as indicated otherwise, words defined in this section shall have the meanings ascribed to them solely for purposes of this section.

The unaudited pro forma condensed combined financial statements shown below reflect historical financial information and have been prepared on the basis that the HHI acquisition by Spectrum Brands will be accounted for as a business combination using the acquisition method of accounting. Accordingly, the consideration transferred and the assets acquired and liabilities assumed, will be measured at their respective fair values with any excess of the consideration transferred over the fair value of the net asset acquired reflected as goodwill. The unaudited pro forma condensed combined financial statements presented assume that the HHI Business will become a wholly-owned subsidiary of Spectrum Brands. In addition, the joint venture with EXCO ("the Joint Venture") will be accounted for using the equity method of accounting, pursuant to a gross proportionate presentation, as HGI has significant influence but does not control the joint venture. Accordingly HGI will reflect 74.5% of the Joint Venture's assets, liabilities, revenues and expenses in its financial statements, which is equal to its economic interest in the Joint Venture.

The following unaudited pro forma condensed combined balance sheet as of September 30, 2012 is presented on a basis to reflect (i) the HHI Acquisition and related financing (ii) 74.5% of the Joint Venture, and (iii) the refinancing of the existing \$500 of Senior Secured Notes with \$650 of new Senior Secured Notes as if each had occurred as of such date. The unaudited pro forma condensed combined statement of operations for the year ended September 30, 2012 is presented on a basis to reflect (i) the full-period effect of the HHI Acquisition, (ii) 74.5% of the full-period effect of the Joint Venture and (iii) the refinancing of the existing \$500 of Senior Secured Notes with \$650 of new Senior Secured Notes, as if each had occurred on October 1, 2011. Because of different fiscal year-ends, and in order to present results for comparable periods, the unaudited pro forma condensed combined statement of operations for the fiscal year ended September 30, 2012 combines the historical consolidated statement of operations of HGI for the year then ended with the historical results of operations of HHI for the twelve-month period ended July 1, 2012 and 74.5% of the historical statement of revenues and direct operating expenses of the Joint Venture for the twelve months ended September 30, 2012. See Note 1, Conforming Interim Periods, to the unaudited pro forma condensed combined financial statements for additional information. Pro forma adjustments are made in order to reflect the potential effect of the transactions indicated above on the unaudited pro forma condensed combined balance sheet and statements of operations.

The unaudited pro forma condensed combined financial statements and the notes thereto were based on, and should be read in conjunction with:

- HGI's historical audited consolidated financial statements and notes thereto for the fiscal year ended September 30, 2012;
- HHI's historical audited combined financial statements and notes thereto for the fiscal year ended December 31, 2011;

- HHI's unaudited combined financial statements and notes thereto for the six months ended June 30, 2012 and July 2, 2011;
- The audited statements of revenues and direct operating expenses and related notes thereto, for EXCO Resources, Inc. Certain Conventional Oil and Natural Gas Properties for the fiscal year ended December 31, 2011; and
- The unaudited statements of revenues and direct operating expenses for EXCO Resources, Inc. Certain Conventional Oil and Natural Gas Properties for the nine months ended September 30, 2012 and 2011.

The process of valuing HHI's and the Joint Venture's tangible and intangible assets and liabilities, as well as evaluating accounting policies for conformity, is still in the preliminary stages. Accordingly, the purchase price adjustments included in the unaudited pro forma condensed combined financial statements are preliminary and have been made solely for the purpose of providing these unaudited pro forma condensed combined financial statements. For purposes of the unaudited pro forma condensed combined financial statements, HGI has made preliminary adjustments, where sufficient information is available to make a fair value estimate, to those tangible and intangible assets to be acquired and liabilities to be assumed based on preliminary estimates of their fair value as of September 30, 2012 and excess purchase price is reflected as goodwill. For those assets and liabilities where insufficient information is available to make a reasonable estimate of fair value, the unaudited pro forma condensed combined financial statements reflect the carrying value of those assets and liabilities at September 30, 2012. A final determination of these fair values, which cannot be made prior to the completion of the acquisitions, will include management's consideration of a final valuation. HGI currently expects that the process of determining fair value of the tangible and intangible assets will be completed within one year of closing the transactions. Material revisions to HGI's preliminary estimates could be necessary as more information becomes available through the completion of this final determination. The actual amounts recorded following the completion of the transactions may be materially different from the information presented in these unaudited pro forma condensed combined financial statements due to a number of factors, including:

- timing of closing the transactions;
- changes in the net assets of HHI and the Joint Venture;
- changes in the market conditions and financial results which may impact cash flow projections in the valuation; and
- other changes in market conditions which may impact the fair value of HHI's and the Joint Venture's net assets.

HGI's historical consolidated financial information has been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (i) directly attributable to the HHI Acquisition, the Joint Venture, and the refinancing of the existing \$500 of Senior Secured Notes with \$650 of new Senior Secured Notes, (ii) factually supportable, and (iii) with respect to the unaudited pro forma condensed combined statement of operations, expected to have a continuing impact on HGI's results.

The unaudited pro forma condensed combined financial statements do not reflect any revenue enhancements, cost savings from operating efficiencies, synergies or other restructurings, or the costs and related liabilities that would be incurred to achieve such revenue enhancements, cost savings from operating efficiencies, synergies or restructurings, which could result from the transactions.

**The pro forma adjustments are based upon available information and assumptions that the management believes reasonably reflect the HHI Acquisition, the Joint Venture and the**

refinancing of the existing \$500 of Senior Secured Notes with \$650 of new Senior Secured Notes. The unaudited pro forma condensed combined financial statements are provided for illustrative purposes only and do not purport to represent what our actual consolidated results of operations or our consolidated financial position would have been had the HHI Acquisition, the Joint Venture and other identified events occurred on the date assumed, nor are they necessarily indicative of our future consolidated results of operations or financial position.

**Harbinger Group Inc. and Subsidiaries**  
**Unaudited Pro Forma Condensed Combined Balance Sheet**  
**As of September 30, 2012**  
**(Amounts in millions, except per share amounts)**

	Historical		Pro Forma Adjustments							Pro Forma Combined
	Harbinger Group Inc.	HHI June 30, 2012	HHI Historical 7(a)	HHI Pro Forma	Notes	Joint Venture	Notes	Senior Secured Notes	Notes	
	(In millions)									
<b>ASSETS</b>										
<b>Consumer Products and Other:</b>										
Cash and cash equivalents	\$ 408.9	\$ 48.5	\$ —	\$ 152.5	7(b)	(372.5)	9(a)	\$ 55.9	11(a)	293.3
Short-term investments	181.8	—	—	—	—	—	—	—	—	181.8
Receivables, net	414.4	121.4	—	—	—	—	—	—	—	535.8
Inventories, net	452.6	168.8	—	41.6	7(c)	—	—	—	—	663.0
Prepaid expenses and other current assets	86.3	33.9	—	—	—	—	—	—	—	120.2
Total current assets	1,544.0	372.6	—	194.1	—	(372.5)	—	55.9	—	1,794.1
Properties, net	214.3	102.9	(4.0)	(2.5)	7(d)	—	—	—	—	310.7
Goodwill	694.2	572.6	—	75.8	7(e)	—	—	—	—	1,342.6
Intangibles, net	1,714.9	161.8	—	304.0	7(f)	—	—	—	—	2,180.7
Deferred charges and other assets	82.1	40.8	(33.3)	57.9	7(g)	—	—	5.4	11(b)	152.9
	<u>4,249.5</u>	<u>1,250.7</u>	<u>(37.3)</u>	<u>629.3</u>		<u>(372.5)</u>		<u>61.3</u>		<u>5,781.0</u>
<b>Insurance and Financial Services:</b>										
Investments:										
Fixed maturities, available-for-sale, at fair value	16,088.9	—	—	—	—	—	—	—	—	16,088.9
Equity securities, available-for-sale, at fair value	248.1	—	—	—	—	—	—	—	—	248.1
Derivative investments	200.7	—	—	—	—	—	—	—	—	200.7
Asset-backed loans and other invested assets	198.9	—	—	—	—	—	—	—	—	198.9
Total investments	16,736.6	—	—	—	—	—	—	—	—	16,736.6
Cash and cash equivalents	1,061.8	—	—	—	—	—	—	—	—	1,061.8
Accrued investment income	191.6	—	—	—	—	—	—	—	—	191.6
Reinsurance recoverable	2,363.1	—	—	—	—	—	—	—	—	2,363.1
Intangibles, net	273.5	—	—	—	—	—	—	—	—	273.5
Deferred tax assets	279.6	—	—	—	—	—	—	—	—	279.6
Other assets	44.8	—	—	—	—	—	—	—	—	44.8
	<u>20,951.0</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>20,951.0</u>
<b>Oil and Gas:</b>										
Cash and cash equivalents	—	—	—	—	—	277.5	9(a)	—	—	277.5
	—	—	—	—	—	167.6	9(b)	—	—	167.6
	—	—	—	—	—	(445.1)	9(c)	—	—	(445.1)
Total current assets	—	—	—	—	—	—	—	—	—	—
Oil and natural gas properties (full cost accounting method)										
Unproved oil and natural gas properties	—	—	—	—	—	33.4	9(c)	—	—	33.4
Proved developed and undeveloped oil and natural gas properties	—	—	—	—	—	510.5	9(c)	—	—	510.5
Total—Oil and natural gas properties	—	—	—	—	—	543.9	—	—	—	543.9
Gas gathering and other oil and natural gas assets	—	—	—	—	—	22.3	9(c)	—	—	22.3
Deferred financing costs	—	—	—	—	—	3.3	9(b)	—	—	3.3
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>569.5</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>569.5</u>
<b>Total assets</b>	<u>\$ 25,200.5</u>	<u>1,250.7</u>	<u>(37.3)</u>	<u>\$ 629.3</u>		<u>\$ 197.0</u>		<u>\$ 61.3</u>		<u>\$ 27,301.5</u>

	Historical		Pro Forma Adjustments					Senior Secured Notes	Notes	Pro Forma Combined
	Harbinger Group Inc.	HHI June 30, 2012	HHI Historical 7(a)	HHI Pro Forma	Notes	Joint Venture	Notes			
<b>LIABILITIES AND EQUITY</b>										
<b>Consumer Products and Other:</b>										
Current portion of long-term debt						7(h)				
	\$ 16.4	132.5	(132.5)	(3.9)	(i)	—	\$ —			12.5
Accounts payable	325.9	122.1	—	—	—	—	—			448.0
Accrued and other current liabilities	336.9	49.8	(4.2)	(2.7)	7(j)	—	(19.9)	11(c)		359.9
Total current liabilities	679.2	304.4	(136.7)	(6.6)	—	—	(19.9)			820.4
Long-term debt						7(h)				
	2,150.6	227.9	(227.9)	1,523.7	(i)	—	152.3	11(d)		3,826.6
Equity conversion option of preferred stock	232.0	—	—	—	—	—	—			232.0
Employee benefit obligations	95.1	27.1	(21.5)	—	—	—	—			100.7
Deferred tax liabilities	382.4	46.9	—	105.5	7(k)	—	—			534.8
Other liabilities	31.9	34.3	(27.7)	—	—	—	—			38.5
	3,571.2	640.6	(413.8)	1,622.6	—	—	132.4			5,553.0
<b>Insurance and Financial Services:</b>										
Contractholder funds	15,290.5	—	—	—	—	—	—			15,290.5
Future policy benefits	3,614.8	—	—	—	—	—	—			3,614.8
Liability for policy and contract claims	91.1	—	—	—	—	—	—			91.1
Other liabilities	714.7	—	—	—	—	—	—			714.7
	19,711.1	—	—	—	—	—	—			19,711.1
<b>Oil and Gas:</b>										
Current portion of asset retirement obligations	—	—	—	—	—	0.1	9(c)	—		0.1
Revenue suspense	—	—	—	—	—	12.4	9(c)	—		12.4
Other current liabilities	—	—	—	—	—	—	9(c)	—		—
Total current liabilities	—	—	—	—	—	12.5	—			12.5
Long-term debt	—	—	—	—	—	171.0	9(b)	—		171.0
Asset retirement obligations—non-current portion	—	—	—	—	—	13.5	9(c)	—		13.5
	—	—	—	—	—	197.0	—			197.0
<b>Total liabilities</b>	<b>23,282.3</b>	<b>640.6</b>	<b>(413.8)</b>	<b>1,622.6</b>		<b>197.0</b>	<b>132.4</b>			<b>25,461.1</b>
<b>Commitments and contingencies</b>										
<b>Temporary equity:</b>										
Redeemable preferred stock	319.2	—	—	—	—	—	—			319.2
<b>Stockholders' equity:</b>										
Common stock	1.4	—	—	—	—	—	—			1.4
Additional paid-in capital	861.2	—	—	—	—	—	—			861.2
Accumulated deficit	(98.2)	585.3	376.5	(965.6)	7(l)	—	(71.1)	11(a)		(173.1)
Accumulated other comprehensive income (loss)	413.2	22.0	—	(22.0)	7(l)	—	—	(b)(d)		413.2
<b>Total stockholders' equity</b>	<b>1,177.6</b>	<b>607.3</b>	<b>376.5</b>	<b>(987.6)</b>		<b>—</b>	<b>(71.1)</b>			<b>1,102.7</b>
<b>Noncontrolling interest</b>	<b>421.4</b>	<b>2.8</b>	<b>—</b>	<b>(5.7)</b>	7(m)	<b>—</b>	<b>—</b>			<b>418.5</b>
<b>Total permanent equity</b>	<b>1,599.0</b>	<b>610.1</b>	<b>376.5</b>	<b>(993.3)</b>		<b>—</b>	<b>(71.1)</b>			<b>1,521.2</b>
<b>Total liabilities and equity</b>	<b>\$ 25,200.5</b>	<b>\$1,250.7</b>	<b>\$ (37.3)</b>	<b>\$ 629.3</b>		<b>\$ 197.0</b>	<b>\$ 61.3</b>			<b>\$ 27,301.5</b>

See accompanying notes to unaudited pro forma condensed combined financial statements.

**Harbinger Group Inc. and Subsidiaries**  
**Unaudited Pro Forma Condensed Combined Statement of Operations**  
**For The Year Ended September 30, 2012**  
**(Amounts in millions, except per share amounts)**

	Historical			Pro Forma Adjustments						Pro Forma Combined
	Harbinger Group Inc. Year Ended September 30, 2012	HHI Twelve Months Ended June 30, 2012	HGI's 74.5% Equity Interest in Joint Venture Twelve Months Ended September 30, 2012	HHI Historical 7(a)	HHI Pro Forma	Notes	Joint Venture	Notes	Senior Secured Notes	
<b>Revenues:</b>										
<b>Consumer Products and Other:</b>										
Net sales	\$ 3,252.4	\$ 977.4	\$ —	\$ 24.1	\$ —					4,253.9
<b>Insurance and Financial Services:</b>										
Premiums	55.3	—	—	—	—					55.3
Net investment income	722.7	—	—	—	—					722.7
Net investment gains	410.0	—	—	—	—					410.0
Insurance and investment product fees and other	40.3	—	—	—	—					40.3
	<u>1,228.3</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>					<u>1,228.3</u>
<b>Oil and Gas:</b>										
Oil and natural gas revenues	—	—	125.9	—	—					125.9
<b>Total revenues</b>	<u>4,480.7</u>	<u>977.4</u>	<u>125.9</u>	<u>24.1</u>	<u>—</u>					<u>5,608.1</u>
<b>Operating costs and expenses:</b>										
<b>Consumer Products and Other:</b>										
Cost of goods sold	2,136.8	678.2	—	(0.2)	—	7(n)	—			2,814.8
Selling, general and administrative expenses	870.8	207.8	—	1.7	8.6	7(o) (p)(s)	(0.8)	9(d)		1,088.1
	<u>3,007.6</u>	<u>886.0</u>	<u>—</u>	<u>1.5</u>	<u>8.6</u>		<u>(0.8)</u>			<u>3,902.9</u>
<b>Insurance and Financial Services:</b>										
Benefits and other changes in policy reserves	777.4	—	—	—	—					777.4
Acquisition and operating expenses, net of deferrals	125.7	—	—	—	—					125.7
Amortization of intangibles	160.7	—	—	—	—					160.7
	<u>1,063.8</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>					<u>1,063.8</u>
<b>Oil and Gas:</b>										
Oil and natural gas operating costs	—	—	36.7	—	—					36.7
Production and ad valorem taxes	—	—	13.3	—	—					13.3
Gathering and transportation	—	—	9.5	—	—					9.5
Depreciation, depletion and amortization	—	—	—	—	—		50.2	9(e)		50.2
Accretion of discount on asset retirement obligations	—	—	—	—	—		1.2	9(f)		1.2
General and administrative expenses	—	—	—	—	—		6.6	9(g)		6.6
<b>Total operating expenses</b>	<u>—</u>	<u>—</u>	<u>59.5</u>	<u>—</u>	<u>—</u>		<u>58.0</u>			<u>117.5</u>



	Historical			Pro Forma Adjustments							
	Harbinger Group Inc. Year Ended September 30, 2012	HHI Twelve Months Ended June 30, 2012	HGI's 74.5% Equity Interest in Joint Venture Twelve Months Ended September 30, 2012	HHI Historical 7(a)	HHI Pro Forma	Notes	Joint Venture	Notes	Senior Secured Notes	Notes	Pro Forma Combined
(Amounts in millions, except per share amounts)											
<b>Total operating costs and expenses</b>	4,071.4	886.0	59.5	1.5	8.6		57.2				5,084.2
<b>Operating income (loss)</b>	409.3	91.4	66.4	22.6	(8.6)		(57.2)				523.9
Interest expense	(251.0)	(37.7)	—	37.7	(87.0)	7(q)	(4.9)	9(h)	1.8	11(e)	(341.1)
Increase in fair value of equity conversion feature of preferred stock	(156.6)	—	—	—	—		—		—		(156.6)
Gain on contingent purchase price reduction	41.0	—	—	—	—		—		—		41.0
Other (expense) income, net	(17.5)	1.5	—	—	—		—		—		(16.0)
<b>Income (loss) from continuing operations before income taxes</b>	25.2	55.2	66.4	60.3	(95.6)		(62.1)		1.8		51.2
Income tax (benefit) expense	(85.3)	14.3	—	22.3	—	7(r)	—	9(i)	—	11(f)	(48.7)
<b>Income (loss) from continuing operations</b>	110.5	40.9	66.4	38.0	(95.6)		(62.1)		1.8		99.9
Less: Income (loss) from continuing operations attributable to Noncontrolling interest	21.1	0.8	—	—	(7.9)	7(t)	—		—		14.0
<b>Income (loss) from continuing operations attributable to controlling interest</b>	89.4	40.1	66.4	38.0	(87.7)		(62.1)		1.8		85.9
Less: Preferred stock dividends and accretion	59.6	—	—	—	—		—		—		59.6
Net Income (loss) from continuing operations attributable to common and participating preferred stockholders	<u>\$ 29.8</u>	<u>\$ 40.1</u>	<u>\$ 66.4</u>	<u>\$ 38.0</u>	<u>\$ (87.7)</u>		<u>\$ (62.1)</u>		<u>\$ 1.8</u>		<u>\$ 26.3</u>
Income (loss) from continuing operations per common share attributable to controlling interest:											
Basic	\$ 0.15										0.13
Diluted	\$ 0.15										0.13
Weighted-average common shares:											
Basic	139.4										139.4
Diluted	139.8										139.8

See accompanying notes to unaudited pro forma condensed combined financial statements.

**HARBINGER GROUP INC. AND SUBSIDIARIES**  
**NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED**  
**FINANCIAL STATEMENTS**  
(Amounts in millions, except per share amounts)

**(1) CONFORMING INTERIM PERIODS**

*HHI*

HGI's fiscal year end is September 30 while HHI's fiscal year ends on the Saturday nearest to December 31. In order for the Unaudited Pro Forma Condensed Combined Statement of Operations for the year ended September 30, 2012 to be comparable, we have derived the results of operations of HHI for the twelve-month period ended June 30, 2012 by combining the historical unaudited consolidated statement of operations for the six month period ended June 30, 2012 and the historical audited consolidated statement of operations for the year ended December 31, 2011 while subtracting the historical unaudited consolidated statement of operations for the six month period ended July 2, 2011.

	<b>Historical</b>			<b>Twelve Months Ended June 30, 2012</b>
	<b>Year Ended December 31, 2011</b>	<b>Six Months Ended June 30, 2012</b>	<b>Six Months Ended July 2, 2011</b>	
<b>Revenues:</b>				
Net sales	\$ 975.0	\$ 493.3	\$ 490.9	\$ 977.4
<b>Operating costs and expenses:</b>				
Cost of goods sold	669.7	338.7	330.2	678.2
Selling, general and administrative expenses	215.5	103.4	111.1	207.8
	<u>885.2</u>	<u>442.1</u>	<u>441.3</u>	<u>886.0</u>
<b>Operating income</b>	<b>89.8</b>	<b>51.2</b>	<b>49.6</b>	<b>91.4</b>
Interest expense	(42.7)	(17.6)	(22.6)	(37.7)
Other income, net	1.6	0.8	0.9	1.5
<b>Income from continuing operations before income taxes</b>	<b>48.7</b>	<b>34.4</b>	<b>27.9</b>	<b>55.2</b>
Income tax expense	12.3	10.6	8.6	14.3
<b>Income from continuing operations</b>	<b>\$ 36.4</b>	<b>\$ 23.8</b>	<b>\$ 19.3</b>	<b>\$ 40.9</b>

*The Joint Venture*

HGI's fiscal year end is September 30 while the Joint Venture's fiscal year end is December 31. In order for the Unaudited Pro Forma Condensed Combined Statement of Operations for the year ended September 30, 2012 to be comparable, we have derived 74.5% of the results of operations of the Joint Venture for the year ended September 30, 2012 by combining 74.5% of the historical unaudited statement of revenues and direct expenses for the nine month period ended September 30, 2012 and 74.5% of the historical audited statement of revenues and direct expenses for the year ended December 31, 2011 while subtracting the historical unaudited statement of revenues and direct expenses for the nine month period ended September 30, 2011.

**HARBINGER GROUP INC. AND SUBSIDIARIES**  
**NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED**  
**FINANCIAL STATEMENTS—(Continued)**  
(Amounts in millions, except per share amounts)

	Year Ended December 31, 2011	Historical		Twelve Months Ended September 30, 2012	HGI's 74.5%
		Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011		Equity Interest Twelve Months Ended September 30, 2012
<b>Revenues:</b>					
Oil and natural gas revenues	\$ 224.3	\$ 118.9	\$ 174.2	\$ 169.0	\$ 125.9
<b>Direct operating expenses:</b>					
Oil and natural gas operating costs	56.5	33.7	41.0	49.2	36.7
Production and ad valorem taxes	19.7	14.3	16.1	17.9	13.3
Gathering and transportation	13.3	9.8	10.3	12.8	9.5
Total direct operating expenses	89.5	57.8	67.4	79.9	59.5
Excess of revenues over direct operating expenses	<u>\$ 134.8</u>	<u>\$ 61.1</u>	<u>\$ 106.8</u>	<u>\$ 89.1</u>	<u>\$ 66.4</u>

**(2) BASIS OF PRO FORMA PRESENTATION**

The unaudited pro forma condensed combined financial statements have been prepared using the historical consolidated financial statements of HGI, HHI and the statement of revenues and direct expenses for the Joint Venture. The HHI Acquisition is accounted for using the acquisition method of accounting. The Joint Venture has been accounted for using the equity method of accounting, pursuant to a gross proportionate presentation, as HGI has significant influence but does not control the Joint Venture. Accordingly HGI will reflect 74.5% of the joint venture's assets, liabilities, revenues and expenses in its financial statements which is equal to its economic interest in the joint venture.

Since separate historical financial statements in accordance with accounting principles generally accepted in the United States of America, or US GAAP, have never been prepared for the Joint Venture, certain indirect expenses, as further described in *Note 10. Excluded Costs*, were not allocated to the Joint Venture and have been excluded from the accompanying statements. Any attempt to allocate these expenses would require significant and judgmental allocations, which would be arbitrary and would not be indicative of the performance of the properties on a stand-alone basis. Accordingly, these statements of revenues and direct operating expenses do not represent a complete set of financial statements reflecting financial position, results of operations, and partners' equity of the Joint Venture and are not indicative of the results of operations for the Joint Venture's properties going forward.

**HARBINGER GROUP INC. AND SUBSIDIARIES**  
**NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED**  
**FINANCIAL STATEMENTS—(Continued)**  
**(Amounts in millions, except per share amounts)**

**(3) HHI ACQUISITION**

HGI will account for the transaction by recording the assets and liabilities of HHI as of the completion date of the acquisition at their respective fair values and conforming the accounting policies of HHI to those used by HGI. Pursuant to Accounting Standards Codification (“ASC”) 805, under the acquisition method, the total estimated purchase price (consideration transferred) will be measured at the closing date of the acquisition. In preparing these unaudited pro forma condensed combined financial statements, the assets and liabilities of HHI have been measured based on various preliminary estimates using assumptions that HGI management believes are reasonable utilizing information currently available. Use of different estimates and judgments could yield materially different results.

For purposes of measuring the estimated fair value of the assets acquired and liabilities assumed as reflected in the unaudited pro forma condensed combined financial statements, HGI used the guidance in ASC Topic 820, “Fair Value Measurement and Disclosure”, which established a framework for measuring fair values. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Market participants are assumed to be buyers and sellers in the principal (most advantageous) market for the asset or liability. Additionally, under ASC 820, fair value measurements for an asset assume the highest and best use of that asset by market participants. As a result, HGI may be required to value assets of HHI at fair value measures that do not reflect HGI’s intended use of those assets. Use of different estimates and judgments could yield different results.

The unaudited pro forma condensed combined financial statements as of and for the year ended September 30, 2012 gives effect to the acquisition of the HHI Business by HGI. For the period presented, the financial statements of HHI do not include the TLM Residential Business, the acquisition of which is subject to separate closing conditions in connection with a second closing. The unaudited pro forma condensed combined financial statements shown below reflect historical financial information and have been prepared on the basis that the transaction is accounted for under ASC 805. The acquisition of the HHI Business by HGI will be accounted for using the acquisition method of accounting. Accordingly, the consideration transferred in the acquisition by HHI, that is, the assets acquired and liabilities assumed, will be measured at their respective fair values with any excess reflected as goodwill. The unaudited pro forma condensed combined financial statements presented assume that the HHI Business will become a wholly owned subsidiary of Spectrum Brands.

The unaudited pro forma condensed combined balance sheet as of September 30, 2012 is presented on a basis to reflect the acquisition as if it had occurred on such date. The unaudited pro forma condensed combined statements of operations for the year ended September 30, 2012 is presented on a basis to reflect the HHI acquisition as if it had occurred on October 1, 2011. Because of different fiscal period ends, and in order to present results for comparable periods, the unaudited pro forma condensed combined statement of operations for the year ended September 30, 2012 combines HGI historical consolidated statement of operations for the year then ended with the HHI conforming statement of operations for the twelve months ended June 30, 2012. Refer to note 1 for conforming interim periods.

**HARBINGER GROUP INC. AND SUBSIDIARIES**  
**NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED**  
**FINANCIAL STATEMENTS—(Continued)**  
**(Amounts in millions, except per share amounts)**

**(4) SIGNIFICANT ACCOUNTING POLICIES—HHI ACQUISITION**

The unaudited pro forma condensed combined financial statements do not assume any differences in accounting policies between HGI and HHI. Upon consummation of the acquisition, HGI will review the accounting policies of HHI to ensure conformity of such accounting policies to those of HGI and, as a result of that review, HGI may identify differences between the accounting policies of the two companies, that when conformed, could have a material impact on the combined financial statements. At this time, HGI is not aware of any difference that would have a material impact on the unaudited pro forma condensed combined financial statements.

**(5) ESTIMATE OF CONSIDERATION EXPECTED TO BE TRANSFERRED—HHI ACQUISITION**

The acquisition method of accounting requires that the consideration transferred in a business combination be measured at fair value as of the closing date of the acquisition. The expected consideration for HHI is \$1,300.0 in cash.

**(6) PRELIMINARY CONSIDERATION TRANSFERRED TO NET ASSETS ACQUIRED—HHI ACQUISITION**

For the purposes of the unaudited pro forma condensed combined financial statements, and based on the estimated consideration expected to be transferred on an assumed acquisition date of September 30, 2012, HGI has estimated that the amounts recorded in accounting for the acquisition of HHI would be as follows:

Current assets	\$ 414.2
Property, plant and equipment	96.4
Goodwill	648.4
Intangible assets	465.8
Other assets	7.5
Total assets acquired	<u>1,632.3</u>
Current liabilities	167.7
Other long-term liabilities	164.6
Total liabilities assumed	<u>332.3</u>
<b>Total preliminary purchase price allocation</b>	<b><u><u>\$1,300.0</u></u></b>

**(7) HISTORICAL AND PRO FORMA ADJUSTMENTS—HHI ACQUISITION**

- (a) HHI Historical Adjustments reflect the exclusion of certain assets, liabilities, equity and operations included within HHI's financial statements that are not included in the acquisition.

**HARBINGER GROUP INC. AND SUBSIDIARIES**  
**NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED**  
**FINANCIAL STATEMENTS—(Continued)**  
**(Amounts in millions, except per share amounts)**

- (b) The \$152.5 net adjustment to cash is reflective of the following adjustments:

Cash Adjustment Calculation	
New Term Loan Facility	\$ 800.0
New Senior Notes	1,090.0
Deferred financing costs	(64.6)
Accrued interest paid	(2.7)
Cancellation of Old Term Loan Facility	(370.2)
Expected consideration for HHI acquisition	(1,300.0)
Pro forma adjustment	<u>\$ 152.5</u>

- (c) To record HHI inventory at estimated fair value. Based on preliminary valuations, HGI estimates that as of July 1, 2012, the fair value of HHI inventory exceeds book value by approximately \$41.6.
- (d) Adjustment reflects the revaluation of property, plant and equipment to estimated fair value.
- (e) Adjustment reflects the elimination of HHI historical goodwill in accordance with acquisition accounting, and the establishment of \$648.4 for goodwill resulting from the transaction, based on a preliminary valuation of assets acquired and liabilities assumed.
- (f) To reverse HHI's existing intangible assets and record identifiable intangible assets at the estimated fair value. Based on preliminary valuations, HGI currently estimates that the intangible assets of HHI will be increased by approximately \$304.0.

As part of the acquisition, certain HHI intangible assets were identified and an estimated fair value was made based on preliminary information available. Specifically, the identifiable intangible assets consisted of customer relationships, HHI portfolio of trade names, proprietary technology and a license agreement. The \$465.8 assigned fair value of intangible assets is based on a preliminary valuation. The identifiable assets were valued using historical metrics to the extent possible. In addition, other similar transactions were considered. Furthermore, the projected cash flows associated with each asset were considered over the life of the intangible assets when applicable, and discounted back to present value. The customer relationships and proprietary technology intangible assets are amortized, using the straight line method, over their estimated useful lives. Customer relationships were valued utilizing the multi-period excess earnings method. The relief-from-royalty method was used to value the proprietary technology and HHI portfolio of trade names.

The preliminary estimates of useful lives of the intangible assets subject to amortization that will be acquired are approximately as follows: 15 years for customer relationships, 10 years for proprietary technology and five years for a license agreement. The trade names are considered as indefinite-lived intangible assets and are not amortized. The preliminary estimates of the intangible assets that will be acquired are as follows: \$75.0 for customer relationships, \$44.0 for proprietary technology, \$14.0 for a license agreement and \$332.8 for trade names.

**HARBINGER GROUP INC. AND SUBSIDIARIES**  
**NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED**  
**FINANCIAL STATEMENTS—(Continued)**  
**(Amounts in millions, except per share amounts)**

- (g) Adjustment reflects the write-off of unamortized deferred financing fees associated with the termination of Spectrum Brand’s Term Loan Facility maturing 2016 of \$6.7. Deferred financing fees expected to be incurred in connection with the new bank facilities, as described in (h) below, to be obtained at the time of the acquisition transaction are estimated at \$64.6. HGI estimates the annual amortization related to such deferred financing fees will approximate \$8.0.
- (h) Adjustment reflects the cancellation of Spectrum Brand’s Term Loan Facility maturing 2016 as of September 30, 2012. As of September 30, 2012, the balance of Spectrum Brand’s Term Loan Facility maturing 2016 was \$370.2.
- (i) Adjustment reflects new debt which will be obtained at the time of the acquisition transaction consisting of the following

New Term Loan Facility	\$ 800.0
Senior Notes	1,090.0
<b>Total outstanding of new debt</b>	<b><u>1,890.0</u></b>

- (j) Adjustment reflects the elimination of accrued interest of \$2.7 associated with Spectrum Brands Term Loan Facility.
- (k) Deferred tax adjustments of \$105.5 to reflect the tax effect of the pro forma adjustment related to acquired assets, assuming a 35% effective tax rate.
- (l) Adjustment reflects the elimination of historical equity of HHI and net impact of the pro forma adjustments associated with Spectrum Brands’ debt refinancing, net of non-controlling interest.
- (m) The adjustment reflects the net impact of the elimination of HHI’s non-controlling interests and the net impact of the Spectrum Brands’ debt refinancing.
- (n) HGI estimates cost of sales will increase by approximately \$41.6 during the first inventory turn subsequent to the acquisition date due to the sale of HHI inventory that was subject to the estimated write-up in accounting for the acquisition. This cost has been excluded from the pro forma adjustments as this amount is considered non-recurring. See (b) above for further explanation on the estimated write-up of inventory.
- (o) Adjustment reflects decreased depreciation expense associated with the fair value of HHI property, plant and equipment of \$0.5 for the twelve months ended June 30, 2012.
- (p) Adjustment reflects increased amortization expense associated with the fair value of HHI amortizing intangible assets of \$12.2 for the twelve months ended June 30, 2012.

**HARBINGER GROUP INC. AND SUBSIDIARIES**  
**NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED**  
**FINANCIAL STATEMENTS—(Continued)**  
**(Amounts in millions, except per share amounts)**

- (q) The transaction will result in substantial changes to HGI's debt structure. The interest expense adjustments are estimated to result in a net increase to interest expense of approximately \$87.0 for the related year to the year ended September 30, 2012. The adjustment consists of the following:

	Assumed Interest Rate	Year Ended September 30, 2012
New Term Loan Facility—USD (\$700)	4.75%	\$ 33.6
New Term Loan Facility—CAD (\$100)	5.00%	5.1
New Senior Notes, due 2020 (\$520)	6.38%	33.5
New Senior Notes, due 2022 (\$570)	6.63%	38.2
Amortization of debt issuance costs	—	8.0
Total pro forma interest expense		118.4
Less: elimination of interest expense on retired debt		(31.4)
Pro forma adjustment		<u>\$ 87.0</u>

An assumed increase or decrease of  $\frac{1}{8}\%$  in the interest rate of the New Term Loan Facility would impact total pro forma interest expense presented above by \$1.0 for the fiscal year ended September 30, 2012.

- (r) As a result of Spectrum Brands' and HHI's existing income tax loss carry forwards in the U.S., for which full valuation allowances have been provided, the only pro forma deferred income tax established was discussed in (k) above, and no income tax has been provided related to the acquisition adjustments that impacted pretax income as described above.
- (s) HGI estimates that expenses related to this transaction will be approximately \$75.0. These costs include fees for investment banking services, legal, accounting, due diligence, tax, valuation, printing and other various services necessary to complete this transaction. In accordance with ASC 805, these fees are expensed as incurred. HGI has incurred \$3.1 of transaction costs in its historical financial results for the period presented. These costs have been excluded from the unaudited pro forma condensed combined statement of operations as these amounts are considered non-recurring.
- (t) Adjustment reflects (i) elimination of historic non-controlling interest in HHI's income from continuing operations and (ii) recording of non-controlling interest in Spectrum Brands' pro forma decrease in income from continuing operations resulting from the assumed HHI acquisition and related debt transactions using a non-controlling interest factor of 42.6%.

Stanley Black & Decker has certain termination rights under the Acquisition Agreement that, if exercised by Stanley Black & Decker (subject to the satisfaction of certain specific requirements in the Acquisition Agreement), may result in a reverse termination fee. The unaudited pro forma condensed combined financial statements have been prepared under the assumption that the acquisition will be completed and do not reflect any potential termination fees.



**HARBINGER GROUP INC. AND SUBSIDIARIES**  
**NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED**  
**FINANCIAL STATEMENTS—(Continued)**  
**(Amounts in millions, except per share amounts)**

**(8) THE JOINT VENTURE**

The joint venture will be formed through a series of integrated transactions between EXCO and HGI, resulting in the formation of the General Partner and the Partnership, which has been referred to in these pro forma financial statements as the “Joint Venture”. Under the terms of the respective agreements, the Joint Venture will acquire certain oil and gas assets from EXCO for approximately \$725 of total consideration. The acquisition will be funded with approximately \$225 of bank debt, \$372.5 in cash contributed from HGI and \$127.5 of EXCO’S retained interest in the joint venture. Immediately after the closing and the consummation of the transactions, the Partnership ownership will be 73.5% by HGI and 24.5% by EXCO and 2% by the General Partner. In addition, HGI and EXCO will each own a 50% member interest in the General Partner and each will have equal representation on the General Partner’s board of directors.

For accounting purposes, the series of transactions will be accounted for as if the General Partner directly acquired the oil and gas assets from EXCO due to the General Partner controlling the Partnership and neither member controlling the General Partner. Accordingly, the General Partner will apply the acquisition method of accounting due to the group of assets meeting the definition of a business and consequently will reflect the assets acquired and liabilities assumed at their respective fair values. These fair value measurements will also be reflected by the Partnership due to all of its outstanding voting securities being held by the General Partner.

HGI will account for the Joint Venture using the equity method of accounting, pursuant to a gross proportionate presentation, as HGI has significant influence but does not control the Joint Venture. Accordingly, HGI will reflect 74.5% of the Joint Venture’s assets, liabilities, revenues and expenses in its financial statements, representing its economic interest in the Joint Venture.

**(9) PRO FORMA ADJUSTMENTS—JOINT VENTURE**

- (a) Pro forma adjustment to reflect the \$372.5 cash investment in the Joint Venture by HGI. HGI’s 74.5% economic interest related to this cash contribution is \$277.5.
- (b) Pro forma adjustment to reflect the Joint Venture’s draw of \$229.5 under the proposed \$400.0 revolving credit facility pursuant to a Commitment Letter dated November 5, 2012 to HGI and EXCO from JP Morgan. The initial draw includes \$229.5 that will be used to fund EXCO for its contribution to the Joint Venture and \$4.5 to pay bank fees and expenses in connection with obtaining the revolving credit facility. HGI’s 74.5% economic interest in the net cash received is \$167.6.
- (c) Pro forma adjustments to reflect the opening balance sheet of the Joint Venture. The transaction reflects the contribution by EXCO of their conventional oil and natural gas properties and related gathering assets located in East Texas/North Louisiana, or the Joint Venture’s Assets, in exchange for cash of \$597.5 and a 25.5% equity interest (or an imputed investment of \$127.5) in the Joint Venture. HGI’s 74.5% economic interest in the cash paid to EXCO is \$445.1.

**HARBINGER GROUP INC. AND SUBSIDIARIES**  
**NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED**  
**FINANCIAL STATEMENTS—(Continued)**  
**(Amounts in millions, except per share amounts)**

The assets acquired and the liabilities assumed by the Joint Venture and HGI's corresponding 74.5% economic interest in these assets and liabilities were estimated as follows:

	<u>Joint Venture</u>	<u>HGI's 74.5% Economic Interest</u>
Oil and natural gas properties—proved	\$685.2	\$ 510.5
Oil and natural gas properties—unproved	44.8	33.4
Gas gathering, compression and treating facilities	29.9	22.3
Asset retirement obligations	(18.3)	(13.6)
Revenue suspense	(16.6)	(12.4)
	<u>\$725.0</u>	<u>\$ 540.2</u>

- (d) HGI has incurred \$0.8 of transaction costs in its historical financial results for the periods presented. These costs have been excluded from the unaudited pro forma condensed combined statement of operations as these amounts are considered non-recurring.
- (e) Pro forma adjustment to provide for 74.5% of depreciation, depletion and amortization for the twelve months ended September 30, 2012 based on 74.5% pro forma fair value attributable to the amortizable full cost pool and historical oil and natural gas production for such period as if the Joint Venture had occurred on October 1, 2011.
- (f) Pro forma adjustment to reflect 74.5% accretion of discount for the twelve months ended September 30, 2012 with respect to the asset retirement obligations attributable to the Joint Venture.
- (g) Pro forma adjustment to reflect 74.5% of general and administrative costs for the twelve months ended September 30, 2012 for estimated contractual reimbursements to EXCO pursuant to a proposed Administrative Services Agreement, or ASA, and other direct general and administrative expenses to the Joint Venture stipulated in the ASA.
- (h) Pro forma adjustment to reflect 74.5% of the interest expense for the twelve months ended September 30, 2012 as if the revolving credit facility and the initial borrowing under the facility had taken place on October 1, 2011 and was outstanding for the full twelve months, based on an interest rate of 2.45%. This amount includes 74.5% of amortization of deferred financing costs incurred in connection with revolving credit facility of \$0.7. An increase or decrease of  $\frac{1}{8}\%$  in the assumed interest rate of the credit facility would impact 74.5% pro forma interest expense presented above by \$0.5 for the fiscal year ended September 30, 2012.
- (i) The Joint Venture is not directly subject to federal income taxes. Instead, its taxable income or loss is allocated to its individual partners, whether or not cash distributions are paid. As a result of HGI's existing income tax loss carry forwards in the U.S., for which full valuation allowances have been provided, no income tax (benefit)/expense has been provided related to the pro-forma Joint Venture adjustments that impacted pretax income.

**(10) EXCLUDED COSTS—SENIOR SECURED JOINT VENTURE**

Prior to the formation of the Joint Venture, the Joint Venture's properties were part of a much larger organization where indirect general and administrative expenses, interest, income taxes, and

**HARBINGER GROUP INC. AND SUBSIDIARIES**  
**NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED**  
**FINANCIAL STATEMENTS—(Continued)**  
**(Amounts in millions, except per share amounts)**

other indirect expenses were not allocated to the Joint Venture's properties and have therefore been excluded from the accompanying statements of revenues and direct operating expenses. In addition, such indirect expenses are not indicative of costs which would have been incurred by the Joint Venture's properties on a stand-alone basis. Also, depreciation, depletion and amortization and accretion of discounts attributable to asset retirement obligations have been excluded from the accompanying statements of revenues and direct operating expenses as such amounts would not necessarily be indicative of those expenses which would have been incurred based on the amounts to be allocated to the oil and gas properties in connection with the formation of the Joint Venture and contributions of assets and cash by the Joint Venture's equity holders.

**(11) PRO FORMA ADJUSTMENTS—NOTES**

- (a) HGI plans to refinance its existing Senior Secured Notes of \$500 with new Senior Secured Notes of \$650. Under the terms of the existing Senior Secured Notes, HGI may be redeem the Senior Secured Notes at 100% of the principal amount plus a Breakage Fee, plus accrued and unpaid interest. The breakage fees were calculated as \$57.2. This amount has been excluded from the unaudited pro forma condensed combined statement of operations as such amount is considered non-recurring.

The \$55.9 net adjustment to cash is reflective of the following adjustments:

Existing Senior Secured Notes	\$(500.0)
Accrued Interest Paid	(19.9)
Breakage Fees Paid*	(57.2)
New Long Term Debt	650.0
Deferred Financing Costs	<u>(17.0)</u>
<b>Pro Forma Adjustment</b>	<b>\$ 55.9</b>

\* The breakage fee has been calculated based on the transaction occurring on September 30, 2012. This amount will be reduced as the transaction date moves closer to May 15, 2013, which is a factor in determining this amount, as stipulated in the agreement.

- (b) Adjustment reflects the write-off of unamortized deferred financing fees associated with the extinguishment of the existing Senior Secured Notes of \$11.6. Deferred financing fees expected to be incurred in connection with the new Senior Secured Notes are estimated at \$17.0. HGI estimates the annual amortization related to such deferred financing fees will approximate \$2.8.
- (c) Adjustment reflects \$19.9 of accrued interest which is payable upon the extinguishment of the prior debt.
- (d) The pro forma impact on debt was \$152.3, net of discounts, after the extinguishment of existing senior secured notes.

Issuance of New Senior Secured Notes—USD (\$650)	\$ 650.0
Extinguishment of Existing Senior Secured Notes—USD (\$500)	(500.0)
Reversal of net discount on existing notes	<u>2.3</u>
<b>Pro forma adjustment</b>	<b><u>\$ 152.3</u></b>

**HARBINGER GROUP INC. AND SUBSIDIARIES**  
**NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED**  
**FINANCIAL STATEMENTS—(Continued)**  
**(Amounts in millions, except per share amounts)**

- (e) The expected reduction in the interest expense related to the issuance of the existing notes for the year ended September 30, 2012 was calculated as follows:

Estimated interest expense on New Senior Secured Notes	\$ 52.0
Amortization of debt issuance costs	<u>2.8</u>
<b>Total pro forma interest expense</b>	<b>54.8</b>
Less: Elimination of historical interest expense	<u>56.6</u>
<b>Pro forma reduction in interest expense</b>	<b>\$ (1.8)</b>

An increase or decrease of  $\frac{1}{8}\%$  in the assumed interest rate would impact total pro forma interest expense by \$0.8 for the fiscal year ended September 30, 2012.

- (f) The decrease in pro forma interest expense will not have an impact on HGI's current and deferred tax position due to HGI's existing income tax loss carry forwards in the U.S., for which valuation allowances have been provided.

**LEE KEELING AND ASSOCIATES, INC.**  
**PETROLEUM CONSULTANTS**

First Place Tower  
 15 East Fifth Street • Suite 3500  
 Tulsa, Oklahoma 74103-4350  
 (918) 587-5521 • Fax: (918) 587-2881

December 10, 2012

Harbinger Group Inc.  
 450 Park Avenue, 30<sup>th</sup> Floor  
 New York, New York 10022

Attention Mr. Ehsan Zargar  
 Vice President, Counsel  
 and Corporate Secretary

Re: Estimated Proved Reserves and  
 Future Net Cash Flow  
 Constant Pricing  
 Interests Owned by  
 EXCO Resources, Inc.

Gentlemen:

In accordance with your request, we have prepared an estimate of the proved reserves and future net cash flow attributable to the interests owned by EXCO Resources, Inc. (EXCO) located in the states of Louisiana and Texas. This report was prepared according to the Securities and Exchange Commission (SEC) guidelines as published in the Federal Register January 14, 2009. The effective date of our estimate is June 30, 2012 and the results are summarized as follows:

RESERVE CLASSIFICATION	ESTIMATED REMAINING NET RESERVES				FUTURE NET CASH FLOW	
	Oil (MMBBL)	Gas (MMCF)	NGL (MMBBL)	Net Equiv. (MMCFE) <sup>(1)</sup>	Total (M\$)	Present Worth Disc. @ 10% (M\$)
<b>Proved Developed</b>						
Producing	4,096,803	312,391,625	4,792,867	385,729,594	791,443,125	432,738,750
Non-Producing	180,607	11,504,161	12,718	12,664,113	24,821,939	7,805,653
Behind-Pipe	413,851	33,634,312	39,732	36,355,805	35,631,602	14,664,569
Sub-Total	4,691,261	357,530,098	4,845,317	414,749,512	851,896,666	455,208,972
<b>Proved Undeveloped</b>	1,891,204	13,033,048	2,889,010	41,714,332	171,102,359	63,377,191
<b>TOTAL PROVED RESERVES<sup>(2)</sup></b>	<b>6,582,465</b>	<b>370,563,146</b>	<b>7,734,327</b>	<b>456,463,844</b>	<b>1,022,999,025</b>	<b>518,586,163</b>

Notes:

<sup>(1)</sup>MMCFE-one million cubic feet equivalent, calculated by converting one barrel of oil to six MCF of natural gas.

<sup>(2)</sup>Totals may differ from schedules due to roundoff.

Future net cash flow is the amount, exclusive of federal and state income taxes, which will accrue to the subject interests from continued operation of the properties to depletion. It should not be construed as a fair market or trading value. No provision has been made for the cost of plugging and abandoning the properties.

No attempt has been made to quantify or otherwise account for any accumulative gas production imbalances that may exist. Likewise, no attempt has been made to determine whether the wells and facilities are in compliance with various governmental regulations. Accordingly, no costs have been included in the event the wells and facilities are not in compliance.

Summary forecasts of annual gross and net production, operating income, and future net cash flow by reserve type are included as Schedule No. 1. A sequential listing of the individual properties based on discounted future net cash flow by reserve type is included as Schedule No. 2. An alphabetical one-line summary by property is reflected on Schedule No. 3.

The subject properties are being transferred into a Master Limited Partnership (MLP). Reserves attributed to all properties are classified as "conventional." With the exception of newly drilled wells, also considered conventional, and a newly installed waterflood in the Sugg Ranch Field of Irion County, Texas, where there are ongoing drilling activities, the wells are considered mature producers, long lived with relatively low rates of decline.

#### CLASSIFICATION OF RESERVES

Reserves assigned to the various leases and/or wells have been classified as either "proved developed" or "proved undeveloped" in accordance with the definitions of the proved reserves as promulgated by the Securities and Exchange Commission. These are as follows:

Proved Developed Oil and Gas Reserves are reserves that can be expected to be recovered through existing wells with existing equipment and operating methods. Additional oil and gas expected to be obtained through the application of fluid injection or other improved recovery techniques for supplementing the natural forces and mechanisms of primary recovery should be included as "proved developed reserves" only after testing by a pilot project or after the operation of an installed program has confirmed through production response that increased recovery will be achieved.

Proved Undeveloped Oil and Gas Reserves are reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion. Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances. Under no circumstances should estimates for proved undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual tests in the area and in the same reservoir.

Proved Developed Oil and Gas Reserves attributed to the subject leases have been further classified as "proved developed producing," "proved developed non-producing" and "proved developed behind-pipe."

Proved Developed Producing Reserves are those reserves expected to be recovered from currently producing zones under continuation of present operating methods.

Proved Developed Non-Producing Reserves are those reserves expected to be recovered from zones that have been completed and tested but are not yet producing due to situations including, but not limited to, lack of market, minor completion problems that are expected to be corrected, or reserves expected from future stimulation treatments based on analogy to nearby wells.

Proved Developed Behind-Pipe Reserves are those reserves currently behind the pipe in existing wells that are considered proved by virtue of successful testing or production in offsetting wells.

#### ESTIMATION OF RESERVES

The majority of the subject properties have been producing for a considerable length of time. The estimation of reserves for these wells has been based on the extrapolation of the existing historic production decline curves and/or pressure decline trends to economic limits or abandonment pressures.

Reserves anticipated from recently completed or new wells were based upon volumetric calculations or analogy with similar properties, which are producing from the same horizons in the respective areas. Structural position, net pay thickness, well productivity, gas-oil ratios, water production, pressures, and other pertinent factors were considered in the estimations of these reserves.

Reserves assigned to behind-pipe zones have been estimated based on volumetric calculations and/or analogy with other wells in the area producing from the same horizon.

#### FUTURE NET CASH FLOW

##### Oil Income and Prices

Income from the sale of oil was estimated based on the unweighted average price for West Texas Intermediate Cushing Oil, as published in Platts, for the first day of each month for July 2011 through June 2012, as provided by the staff of EXCO. That computed reference price of \$95.67 per barrel was held constant throughout the life of each lease. The reference price was adjusted for historical differentials between posted prices and actual field prices to reflect quality, transportation fees and regional price differences. The weighted average price for oil over the life of the properties was \$90.398 per barrel.

##### Gas Income and Prices

Income from the sale of gas was estimated based on the unweighted average price for natural gas sold at Henry Hub, as published in Platts Gas Daily, the first day of each month for July 2011 through June 2012, as provided by staff of EXCO. That computed reference price of \$3.1463 per MCF was held constant throughout the life of each lease. The reference price was adjusted for BTU content, basis differentials, marketing, and transportation costs. The weighted average price for natural gas over the life of the properties was \$2.959 per MCF.

### Operating Expenses

Operating expenses were based upon actual operating costs charged by EXCO or the respective operators, as supplied by the staff of EXCO. All expenses were held constant throughout the life of each lease.

### Future Expenses

Provisions have been made for future expenses required for recompletion and drilling. These costs are forecast based upon current estimates, regardless of the time they are incurred.

### GENERAL

Information upon which this estimate has been based was furnished by the staff of EXCO or was obtained by us from outside sources we consider to be reliable. This information is assumed correct. No attempt has been made to verify title or ownership of the subject properties.

Leases were not inspected by a representative of this firm, nor were the wells tested under our supervision; however, the performance of the majority of the wells was discussed with employees of EXCO.

This report has been prepared utilizing methods and procedures regularly used by petroleum engineers to estimate oil and gas reserves for properties of this type and character. The recovery of oil and gas reserves and projection of producing rates are dependent upon many variable factors including prudent operation, compression of gas when needed, market demand, installation of lifting equipment, and remedial work when required. The reserves included in this report have been based upon the assumption that the wells will continue to be operated in a prudent manner under the same conditions existing at the present time. Actual production results and future well data may yield additional facts, not presently available to us, which will require an adjustment to our estimates.

The reserves included in this report are estimates only and should not be construed as being exact quantities. They may or may not be actually recovered, and, if recovered, the revenues therefrom and the actual costs related thereto could be more or less than the estimated amounts. As in all aspects of oil and gas estimation, there are uncertainties inherent in the interpretation of engineering data and, therefore, our conclusions necessarily represent only informed professional judgments.

It should be pointed out that regulatory authorities could, in the future, change the allocation of reserves allowed to be produced from a particular well in any reservoir, thereby altering the material premise upon which our reserve estimates may be based.

The projection of cash flow has been made assuming constant prices. There is no assurance that prices will not vary. For this reason and those listed in the previous paragraph, the future net cash from the sale of production from the subject properties may vary from the estimates contained in this report.

It is our opinion that based upon our knowledge of current facts and conditions, the reserves presented in this report are a reasonable measure of EXCO's reserves considered by us.



The information developed during the course of this investigation, basic data, maps and worksheets showing recovery determinations can be made available for inspection in our office.

This report is to be used only in its entirety.

We appreciate this opportunity to be of service to you.

Very truly yours,

*Lee Keeling and Associates, Inc*

LEE KEELING AND ASSOCIATES, INC.

LKA7281

---

**SCHEDULE NO. 1**

PROVED DEVELOPED PRODUCING

HARRINGER GROUP INC  
OIL AND GAS PROPERTIES  
OWNED BY EXCO RESOURCES INC  
SEC 2012 PRICING

DATE : 12/10/2012  
TIME : 10:07:56  
DMS FILE : ADMIN  
SCENARIO : LKA2012  
PROD QUAL : LKA2012R  
OWNERSHIP : EX2012  
INPUTSET : LKA2012

RESERVES AND ECONOMICS  
EFFECTIVE DATE: 07/2012

MO-YEAR	GROSS OIL PRODUCTION	GROSS GAS PRODUCTION	GROSS NGL PRODUCTION	NET OIL PRODUCTION	NET GAS PRODUCTION	NET NGL PRODUCTION	NET GAS EQUIVALENT	NET OIL PRICE	NET GAS PRICE	NET NGL PRICE
MO-YEAR	---MBSL---	---MCF---	---MBSL---	---MBSL---	---MCF---	---MBSL---	---MCF---	---\$/BBL---	---\$/MCF---	---\$/BBL---
12-2012	455,942	26618,779	329,539	288,887	13900,757	237,556	17059,410	90.383	2.956	59.315
12-2013	715,547	47419,215	556,733	446,458	24987,619	398,919	30059,883	90.443	2.957	59.315
12-2014	573,464	41965,266	470,614	355,452	22249,861	336,934	26404,174	90.488	2.959	59.315
12-2015	487,132	37490,535	411,466	301,439	20026,629	294,435	23603,068	90.505	2.962	59.315
12-2016	425,998	33653,410	366,629	264,055	18127,867	262,552	21287,512	90.506	2.969	59.315
12-2017	378,887	30561,115	331,688	235,406	16591,652	237,548	19429,377	90.506	2.971	59.315
12-2018	328,006	27822,031	303,830	203,113	15241,285	217,612	17765,637	90.528	2.974	59.315
12-2019	287,786	25648,377	280,827	178,033	14161,645	201,151	16436,754	90.545	2.974	59.315
12-2020	258,597	23792,320	261,325	159,994	13188,352	187,193	15271,473	90.555	2.974	59.315
12-2021	234,323	22054,059	244,727	145,407	12287,273	175,266	14211,308	90.540	2.976	59.315
12-2022	214,321	20484,031	230,152	133,344	11448,316	164,831	13237,363	90.530	2.977	59.315
12-2023	196,220	18984,219	216,493	122,429	10639,821	155,045	12304,664	90.521	2.976	59.315
12-2024	179,707	17662,877	203,154	112,393	9947,295	145,468	11494,461	90.512	2.976	59.315
12-2025	166,012	16500,246	192,394	104,022	9329,767	137,762	10780,468	90.513	2.977	59.315
12-2026	153,251	15271,351	182,143	96,274	8686,928	130,416	10047,066	90.507	2.977	59.315
S-TOT	5055,172	405927,844	4581,715	3146,705	220815,078	3282,886	259392,625	90.494	2.968	59.315
AFTER	1504,154	150588,188	2115,413	950,098	91576,531	1509,981	106336,992	90.513	2.967	59.315
TOTAL	6559,327	556516,062	6697,128	4096,803	312391,625	4792,867	365729,594	90.498	2.968	59.315

MO-YEAR	TOTAL NET SALES	SEVERANCE TAXES	AD VALOREM TAXES	DIRECT OPER EXPENSE	CAPITAL INVESTMENT	FUTURE NET CASHFLOW	CUMULATIVE CASHFLOW	10.0% DISC CASHFLOW	CUM 10.0% DISC CF
MO-YEAR	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---
12-2012	81286,188	3173,660	4873,765	19851,926	0.000	53386,832	53386,832	52170,652	52170,652
12-2013	137918,922	5309,977	9048,140	36687,879	0.000	86872,977	140259,812	79147,102	131317,766
12-2014	117982,711	4500,289	8331,582	33905,617	0.000	71285,242	211505,062	58981,523	190299,281
12-2015	104074,188	3967,712	7707,378	31560,924	0.000	60838,133	272343,188	45777,477	234076,750
12-2016	93286,930	3559,054	7146,290	29481,361	0.000	53100,160	325443,375	36317,336	272394,094
12-2017	84696,172	3230,863	6615,066	27819,205	0.000	47031,016	372474,375	29240,695	301634,781
12-2018	76615,320	2930,021	6083,987	26241,037	0.000	41360,312	413834,688	23378,152	325012,938
12-2019	70174,156	2678,034	5669,120	25072,330	0.000	36704,703	450589,375	18884,025	343896,969
12-2020	64818,891	2471,015	5254,882	24031,383	0.000	33061,641	483651,000	15441,172	359338,156
12-2021	60127,609	2287,923	4872,287	23005,557	0.000	29961,824	513612,844	12720,645	372058,781
12-2022	55925,914	2126,771	4480,858	22025,664	0.000	27292,600	540905,438	10533,646	382592,406
12-2023	51942,844	1978,236	4076,826	20958,910	0.000	24928,771	565834,188	8746,539	391338,938
12-2024	48408,312	1840,784	3749,091	20015,656	0.000	22802,789	588637,000	7273,160	398612,094
12-2025	45363,160	1727,703	3433,944	19322,480	0.000	20879,023	609516,062	6054,117	404666,219
12-2026	42313,023	1617,374	3093,300	18494,555	0.000	19107,830	628623,875	5036,854	409703,062
S-TOT	1134934,250	43399,512	84436,516	378474,469	0.000	628623,875	628623,875	409703,062	409703,062
AFTER	447293,375	17667,143	30621,197	236185,812	0.000	162819,297	791443,125	23035,670	432738,844
TOTAL	1582227,750	61066,656	115057,713	614660,312	0.000	791443,188	791443,125	432738,750	432738,844

	OIL	GAS	YEARS LIFE FROM 07/2012	P.M. %	P.W. %
GROSS WELLS	435.0	987.0	75.00	5.00	554523,375
GROSS DLT., MB & MCF	17878,943	1711644,375	DISCOUNT %	10.00	432738,719
GROSS CDM., MB & MCF	11319,617	1132297,375	UNDISCOUNTED PAYOUT, YRS.	0.00	359035,562
GROSS RES., MB & MCF	6559,326	556515,812	DISCOUNTED PAYOUT, YRS.	0.00	309628,125
NET RES., MB & MCF	4096,801	312391,719	UNDISCOUNTED NET/INVEST.	0.00	25,000
NET REVENUE, M\$	370752,281	927184,750	DISCOUNTED NET/INVEST.	0.00	30,000
INITIAL PRICE, \$	90.779	2.953	RATE-OF-RETURN, PCT.	100.00	226271,094
INITIAL W.I., PCT.	62.529	34.179	INITIAL W.I., PCT.	75.499	209307,078
				50.00	183539,875
				60.00	164817,203
				100.00	122505,078

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

PROVED NON-PRODUCING  
 HARRINGER GROUP INC  
 OIL AND GAS PROPERTIES  
 OWNED BY EXCO RESOURCES INC  
 SEC 2Q12 PRICING

DATE : 12/10/2012  
 TIME : 10:08:08  
 DRG FILE : ADMIN  
 SCENARIO : LKA2Q12  
 PROD QUAL : LKA2Q12R  
 OWNERSHIP : EX2012  
 INPUTSET : LKA2Q12

RESERVES AND ECONOMICS  
 EFFECTIVE DATE: 07/2012

END-YEAR	GROSS OIL PRODUCTION	GROSS GAS PRODUCTION	GROSS NGL PRODUCTION	NET OIL PRODUCTION	NET GAS PRODUCTION	NET NGL PRODUCTION	NET GAS EQUIVALENT	NET OIL PRICE	NET GAS PRICE	NET NGL PRICE
MO-YEAR	---MBSLS---	---MMCF---	---MBSLS---	---MBSLS---	---MMCF---	---MBSLS---	---MMCF---	---\$/BBL---	---\$/MCF---	---\$/BBL---
12-2012	14,918	114,319	1,752	10,044	84,872	1,275	152,785	89,933	2,982	59,315
12-2013	29,205	150,913	3,448	19,273	161,206	2,509	304,907	90,322	3,040	59,315
12-2014	21,235	185,431	1,690	13,766	144,906	1,229	234,876	90,410	3,024	59,315
12-2015	18,198	143,239	0,912	11,792	117,023	0,663	194,753	90,414	3,029	59,315
12-2016	16,160	104,576	0,609	10,477	87,302	0,443	142,823	90,410	3,038	59,315
12-2017	13,796	81,833	0,440	8,865	71,931	0,320	114,041	90,459	3,045	59,315
12-2018	11,750	69,788	0,377	7,538	61,448	0,245	94,148	90,469	3,041	59,315
12-2019	10,533	63,464	0,487	6,798	54,424	0,354	82,338	90,441	3,038	59,315
12-2020	9,199	54,913	0,464	5,998	47,317	0,338	71,331	90,389	3,035	59,315
12-2021	8,103	48,510	0,414	5,318	41,066	0,301	62,780	90,352	3,029	59,315
12-2022	7,137	42,813	0,374	4,727	35,272	0,272	54,266	90,302	3,024	59,315
12-2023	6,412	38,770	0,340	4,263	31,394	0,248	48,461	90,279	3,024	59,315
12-2024	5,867	34,860	0,312	3,897	28,171	0,227	41,515	90,283	3,024	59,315
12-2025	5,395	31,213	0,287	3,581	25,172	0,209	37,913	90,284	3,023	59,315
12-2026	4,982	27,843	0,266	3,306	22,836	0,193	34,834	90,284	3,023	59,315
S-TOT	181,988	1,197,584	12,131	119,646	1,044,941	8,825	1,793,770	90,341	3,031	59,315
AFTER	85,509	614,868	5,351	60,961	533,220	3,893	878,343	89,954	3,003	59,315
TOTAL	267,497	1,812,451	17,482	180,607	1,578,161	12,718	2,672,113	90,210	3,020	59,315

END-YEAR	TOTAL NET SALES	SEVERANCE TAXES	AD VALOREM TAXES	DIRECT OPER EXPENSE	CAPITAL INVESTMENT	FUTURE NET CASHFLOW	CUMULATIVE CASHFLOW	10.0% DISC CASHFLOW	CUM 10.0% DISC CF
MO-YEAR	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---
12-2012	1231,997	50,212	29,390	194,552	1208,306	-160,463	-160,463	-164,558	-164,558
12-2013	4352,369	132,920	237,738	1075,405	4960,958	-2050,653	-2211,115	-1886,980	-2051,538
12-2014	4779,328	135,801	237,991	1204,806	2593,056	607,672	-1603,443	434,903	-1616,635
12-2015	3756,132	117,397	158,191	939,379	0,000	2541,165	937,722	1914,495	297,861
12-2016	2879,319	91,922	105,027	721,786	24,469	1936,115	2873,837	1326,083	1623,944
12-2017	2248,391	80,120	45,433	572,602	0,000	1550,837	4424,674	965,056	2589,000
12-2018	1944,510	69,897	21,570	467,664	0,000	1385,379	5810,053	782,837	3371,837
12-2019	1818,775	64,455	15,568	424,022	0,000	1314,731	7124,785	675,167	4047,003
12-2020	1719,577	58,764	20,795	416,084	0,000	1223,934	8348,718	571,539	4618,542
12-2021	1616,309	53,131	25,517	398,930	0,000	1138,731	9487,449	483,398	5101,941
12-2022	1502,369	48,066	22,314	370,736	0,000	1061,293	10548,702	409,546	5511,487
12-2023	1407,698	44,259	19,595	353,181	0,000	990,662	11539,364	347,549	5859,037
12-2024	1323,154	41,043	17,125	339,958	0,000	925,031	12464,395	295,021	6154,058
12-2025	1264,387	38,222	21,344	340,990	0,000	863,831	13328,226	250,460	6404,510
12-2026	1204,268	35,654	23,947	339,714	0,000	804,953	14133,179	212,173	6616,691
S-TOT	33049,188	1061,863	997,546	8069,806	8786,789	14133,179	14133,179	6616,691	6616,691
AFTER	18745,188	521,279	712,396	6221,750	0,000	10688,764	24821,939	1188,963	7805,654
TOTAL	51794,375	1583,142	1709,943	14892,556	8786,789	24821,943	24821,939	7805,653	7805,654

	OIL	GAS		P.W. %	P.W., M\$
GROSS WELLS	9.0	192.0	YEARS LIFE FROM 07/2012	75.00	5.00
GROSS UTY., M\$ & MMCF	974,035	137472,246	DISCOUNT %	10.00	7805,653
GROSS COM., M\$ & MMCF	706,538	119222,711	UNDISCOUNTED PAYOUT, YRS.	3.13	5166,961
GROSS RES., M\$ & MMCF	267,497	18127,445	DISCOUNTED PAYOUT, YRS.	3.34	3553,494
NET RES., M\$ & MMCF	180,607	11504,160	UNDISCOUNTED NET/INVEST.	3.82	2480,051
NET REVENUE, M\$	16292,636	34747,355	DISCOUNTED NET/INVEST.	1.98	30,00
INITIAL PRICE, \$	90,855	3,039	RATE-OF-RETURN, PCT.	54.88	35.00
INITIAL W.I., PCT.	71,651	74,241	INITIAL W.I., PCT.	78.912	40.00
					50.00
					60.00
					100.00

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
 LEE KEELING AND ASSOCIATES, INC.

PROVED BEHIND PIPE  
 HARRINGER GROUP INC  
 OIL AND GAS PROPERTIES  
 OWNED BY EXCO RESOURCES INC  
 SEC 2Q12 PRICING

DATE : 12/10/2012  
 TIME : 10:08:15  
 DBS FILE : ADMIN  
 SCHEMATIC : LKA2Q12  
 PROC QUAL : LKA2Q12R  
 OWNERSHIP : EX2012  
 INPUTSET : LKA2Q12

RESERVES AND ECONOMICS  
 EFFECTIVE DATE: 07/2012

MO-YEAR	END	GROSS OIL PRODUCTION	GROSS GAS PRODUCTION	GROSS NGL PRODUCTION	NET OIL PRODUCTION	NET GAS PRODUCTION	NET NGL PRODUCTION	NET GAS EQUIVALENT	NET OIL PRICE	NET GAS PRICE	NET NGL PRICE
MO-YEAR	END	---MBSL---	---MBCF---	---MBSL---	---MBSL---	---MBCF---	---MBSL---	---MBCF---	---\$/BBL---	---\$/MCF---	---\$/BBL---
12-2012		9,286	576,528	1,785	5,833	181,721	1,299	224,511	90.620	2,824	59.315
12-2013		25,336	4464,340	2,287	11,529	1346,323	1,664	1425,481	92.126	2,960	59.315
12-2014		41,228	7862,029	1,599	20,527	2473,972	1,163	2604,116	92.148	2,991	59.315
12-2015		117,467	12050,487	5,259	64,152	4777,217	3,826	5185,083	91.859	2,996	59.315
12-2016		160,704	14551,748	4,032	97,979	6485,828	2,933	7091,304	91.833	2,997	59.315
12-2017		132,914	12269,159	3,113	82,208	5566,350	2,264	6073,186	91.837	2,997	59.315
12-2018		55,302	7036,519	2,592	30,841	2816,382	1,886	3012,743	92.017	2,996	59.315
12-2019		28,119	4606,536	2,248	13,959	1651,573	1,635	1745,137	92.248	2,994	59.315
12-2020		17,102	3322,514	1,998	7,829	1098,271	1,454	1153,969	92.457	2,991	59.315
12-2021		12,896	2587,688	1,808	5,687	822,178	1,315	864,190	92.462	2,988	59.315
12-2022		11,017	2138,733	1,656	4,968	680,385	1,205	717,425	92.333	2,986	59.315
12-2023		15,275	1807,106	1,533	6,386	575,737	1,115	620,745	91.491	2,983	59.315
12-2024		13,570	1549,859	1,429	5,731	494,464	1,040	535,088	91.426	2,980	59.315
12-2025		12,137	1347,395	1,341	5,172	430,483	0,976	467,372	91.376	2,978	59.315
12-2026		10,912	1184,728	1,265	4,688	379,058	0,920	412,709	91.337	2,976	59.315
S-TOT		683,264	77355,367	33,945	367,492	29779,941	24,695	32133,059	91.882	2,991	59.315
AFTER		98,562	11861,658	20,669	46,359	3854,369	15,037	4222,747	91.427	2,957	59.315
TOTAL		781,826	89217,023	54,614	413,851	33634,312	39,732	36355,805	91.831	2,987	59.315

MO-YEAR	END	TOTAL NET SALES	SEVERANCE TAXES	AD VALOREM TAXES	DIRECT OPER EXPENSE	CAPITAL INVESTMENT	FUTURE NET CASHFLOW	CUMULATIVE CASHFLOW	10.0% DISC CASHFLOW	CUM 10.0% DISC CF
MO-YEAR	END	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---
12-2012		1118,886	59,193	23,053	276,823	1706,105	-946,288	-946,288	-934,694	-934,694
12-2013		5146,352	287,443	102,962	2023,743	4989,864	-2257,659	-3203,947	-2087,905	-3022,599
12-2014		9360,729	534,494	217,073	3619,606	4147,007	-1157,450	-4361,397	-960,650	-3983,249
12-2015		20431,777	1380,856	468,736	5515,854	15410,736	-2344,406	-6705,804	-1884,172	-5867,420
12-2016		28610,242	2043,839	795,443	6598,812	16897,324	2274,826	-4430,978	1556,496	-4310,924
12-2017		24365,795	1736,808	996,665	5557,077	181,476	15893,775	11462,798	9941,790	5630,866
12-2018		11386,585	746,406	947,434	3225,901	0,000	4466,845	17929,645	3675,694	9306,560
12-2019		6328,765	384,229	782,135	2133,219	0,000	3029,183	20958,828	1562,995	10869,355
12-2020		4094,914	235,103	521,498	1549,785	0,000	1788,528	22747,354	837,217	11706,772
12-2021		3060,575	170,958	328,036	1212,380	0,000	1349,200	24096,555	573,364	12280,136
12-2022		2561,635	142,856	310,297	1003,651	0,000	1104,830	25201,385	426,752	12706,888
12-2023		2367,654	130,169	297,007	854,779	93,916	991,783	26193,166	346,629	13053,517
12-2024		2059,270	113,022	279,015	734,520	0,000	932,714	27125,881	297,643	13351,160
12-2025		1812,459	99,335	261,126	639,750	0,000	812,247	27938,129	235,613	13596,779
12-2026		1610,766	88,178	243,321	563,494	0,000	715,773	28653,902	188,737	13775,510
S-TOT		124316,398	8152,888	6573,801	35509,391	45426,430	28653,902	28653,902	13775,510	13775,510
AFTER		16526,971	905,940	2935,634	5707,712	0,000	4977,689	35631,602	869,059	14664,566
TOTAL		140843,375	9058,828	9509,435	41217,105	45426,430	33631,594	35631,602	14664,569	14664,566

	OIL	GAS		P.W. %	P.W. %
GROSS WELLS	0.0	0.0	YEARS LIFE FROM 07/2012	75.00	5.00
GROSS ULT., MB & MCF	781,826	90066,141	DISCOUNT %	10.00	10.00
GROSS CUM., MB & MCF	0.000	0.000	UNDISCOUNTED PAYOUT, YRS.	4.78	15.00
GROSS RES., MB & MCF	781,826	89217,047	DISCOUNTED PAYOUT, YRS.	4.93	20.00
NET RES., MB & MCF	413,851	33634,316	UNDISCOUNTED NET/INVEST.	1.78	25.00
NET REVENUE, M\$	38004,305	100482,367	DISCOUNTED NET/INVEST.	1.42	30.00
INITIAL PRICE, \$	92.018	2.989	RATE-OF-RETURN, PCT.	46.66	35.00
INITIAL N.I., PCT.	62.818	31.520	INITIAL W.I., PCT.	62.126	40.00
					50.00
					60.00
					100.00
					-2097.201

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
 LEE KEELING AND ASSOCIATES, INC.

PROVED UNDEVELOPED  
 HARRINGER GROUP INC  
 OIL AND GAS PROPERTIES  
 OWNED BY EXCO RESOURCES INC  
 SEC 2Q12 PRICING

DATE : 12/10/2012  
 TIME : 10:08:24  
 DBS FILE : ADMIN  
 SCENARIO : LKA2Q12  
 PROD QUAL : LKA2Q12R  
 OWNERSHIP : EX2012  
 INPUTSET : LKA2Q12

RESERVES AND ECONOMICS  
 EFFECTIVE DATE: 07/2012

MO-YEAR	GROSS OIL PRODUCTION	GROSS GAS PRODUCTION	GROSS NGL PRODUCTION	NET OIL PRODUCTION	NET GAS PRODUCTION	NET NGL PRODUCTION	NET GAS EQUIVALENT	NET OIL PRICE	NET GAS PRICE	NET NGL PRICE
	---MBOELS---	---MMCF---	---MBOELS---	---MBOELS---	---MMCF---	---MBOELS---	---MMCF---	\$/BBL---	\$/MCF---	\$/BBL---
12-2012	33.243	93.441	20.721	24.489	68.467	15.183	306.497	89.860	2.599	59.315
12-2013	195.117	661.684	146.731	142.800	482.292	106.950	1980.795	89.860	2.599	59.315
12-2014	287.434	949.211	209.001	195.178	687.747	152.188	2771.941	89.860	2.599	59.315
12-2015	286.702	1276.243	281.841	198.193	932.898	204.620	3361.771	89.860	2.599	59.315
12-2016	227.458	1366.227	302.134	158.025	999.182	221.392	3275.683	89.860	2.599	59.315
12-2017	173.839	1097.067	242.688	121.218	802.065	177.733	2595.771	89.860	2.599	59.315
12-2018	158.144	1131.128	250.413	111.375	824.254	182.757	2589.350	89.860	2.599	59.315
12-2019	126.627	929.508	205.824	89.570	676.489	149.949	2113.605	89.860	2.599	59.315
12-2020	107.819	796.028	176.311	76.689	579.473	128.454	1810.335	89.860	2.599	59.315
12-2021	94.890	705.203	154.231	67.844	513.456	113.828	1603.492	89.860	2.599	59.315
12-2022	83.124	636.909	141.237	60.726	464.053	102.906	1445.842	89.860	2.599	59.315
12-2023	76.027	583.742	129.447	55.543	425.321	94.317	1324.479	89.860	2.599	59.315
12-2024	70.120	540.486	119.855	51.229	393.808	87.328	1225.152	89.860	2.599	59.315
12-2025	64.989	504.413	111.856	47.480	367.527	81.501	1141.412	89.860	2.599	59.315
12-2026	60.365	473.729	105.051	44.103	345.173	76.543	1069.049	89.860	2.599	59.315
S-TOT	2045.865	11745.021	2599.342	1444.462	8562.505	1897.649	28615.176	89.860	2.599	59.315
AFTER	611.646	6135.324	1360.532	446.742	4470.543	991.360	13099.156	89.860	2.599	59.315
TOTAL	2657.511	17880.344	3959.873	1891.204	13033.048	2889.010	41714.332	89.860	2.599	59.315

MO-YEAR	TOTAL NET SALES	SEVERANCE TAXES	AD VALOREM TAXES	DIRECT OPER EXPENSE	CAPITAL INVESTMENT	FUTURE NET CASHFLOW	CUMULATIVE CASHFLOW	10.0% DISC CASHFLOW	CUM 10.0% DISC CF
	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---
12-2012	3279.114	156.001	78.709	131.394	9731.150	-6818.140	-6818.140	-6691.386	-6691.386
12-2013	20429.539	976.116	490.265	1010.955	21847.174	-2894.973	-10713.112	-3701.809	-10393.194
12-2014	28353.566	1356.110	680.390	1743.588	22193.600	2359.879	-8353.233	1843.922	-8549.272
12-2015	32490.398	1564.884	779.385	2540.704	22193.600	5411.816	-2941.417	3993.348	-4555.924
12-2016	29929.447	1452.078	717.686	2971.475	2080.650	22707.559	19766.143	15498.008	10942.084
12-2017	23519.941	1142.381	563.959	2818.003	7629.050	11366.543	31132.684	7092.216	18034.301
12-2018	22991.930	1119.788	551.222	3042.290	4161.300	14117.339	45250.023	7889.680	25925.980
12-2019	18701.609	911.271	448.352	2903.003	0.000	14408.976	59689.000	7424.343	33348.324
12-2020	16016.962	780.464	383.990	2796.514	0.000	12055.998	71745.000	5633.355	38981.480
12-2021	14182.983	691.124	340.022	2724.046	0.000	10427.786	82172.786	4428.705	43410.383
12-2022	12767.019	622.265	306.072	2662.736	0.000	9174.941	91347.727	3541.898	46952.285
12-2023	11691.156	569.856	280.279	2621.674	0.000	8219.345	99567.070	2884.289	49836.370
12-2024	10807.048	526.812	259.083	2587.455	0.000	7433.701	107000.773	2371.305	52207.875
12-2025	10056.195	490.291	241.080	2558.918	0.000	6745.907	113766.680	1961.999	54169.871
12-2026	9400.533	458.446	225.358	2534.646	0.000	6182.086	119948.766	1629.691	55799.562
S-TOT	264617.438	12817.887	6345.852	35668.398	89836.516	119948.766	119948.766	55799.562	55799.562
AFTER	110568.328	5423.157	2649.868	51341.695	0.000	51153.602	171102.359	7577.626	63377.195
TOTAL	375185.750	18241.045	8995.720	87010.094	89836.516	171102.375	171102.359	63377.191	63377.195

	OIL	GAS	YEARS LIFE FROM 07/2012	P.W. %	P.W. \$
GROSS WELLS	1.0	164.0	45.92	5.00	99490.477
GROSS ULT., MB & MMCF	2657.511	30152.254	DISCOUNT %	10.00	63377.203
GROSS CIM., MB & MMCF	0.000	0.000	UNDISCOUNTED PAYOUT, YRS.	3.63	42613.613
GROSS RES., MB & MMCF	2657.511	17880.348	DISCOUNTED PAYOUT, YRS.	3.79	29538.303
NET RES., MB & MMCF	1891.204	13033.049	UNDISCOUNTED NET/INVEST.	2.90	20758.648
NET REVENUE, M\$	169943.625	33879.391	DISCOUNTED NET/INVEST.	1.86	14581.264
INITIAL PRICE, \$	89.860	2.599	RATE-OF-RETURN, PCT.	57.35	10078.825
INITIAL N.I., PCT.	73.666	73.273	INITIAL W.I., PCT.	95.834	6705.879
				50.00	2109.292
				60.00	-761.257
				100.00	-5431.702

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
 LEE KEELING AND ASSOCIATES, INC.

ALL PROVED RESERVES  
 HARBINGER GROUP INC  
 OIL AND GAS PROPERTIES  
 OWNED BY EXCO RESOURCES INC  
 SEC 2Q12 PRICING

DATE : 12/10/2012  
 TIME : 10:08:24  
 DBE FILE : ADMIN  
 SCENARIO : LMA2Q12  
 PROD QOAL : LMA2Q12R  
 OWNERSHIP : EX2012  
 INPUTSET : LMA2Q12

RESERVES AND ECONOMICS  
 EFFECTIVE DATE: 07/2012

MO-YEAR	GROSS OIL PRODUCTION	GROSS GAS PRODUCTION	GROSS NGL PRODUCTION	NET OIL PRODUCTION	NET GAS PRODUCTION	NET NGL PRODUCTION	NET GAS EQUIVALENT	NET OIL PRICE	NET GAS PRICE	NET NGL PRICE
MO-YEAR	---MBSLS---	---MCF---	---MBSLS---	---MBSLS---	---MCF---	---MBSLS---	---MCF---	---\$/BBL---	---\$/MCF---	---\$/BBL---
12-2012	512.489	27403.070	353.797	329.253	14235.817	255.312	17743.201	90.334	2.952	59.315
12-2013	965.201	54055.152	709.200	620.062	27626.441	510.041	34407.062	90.337	2.953	59.315
12-2014	943.341	52531.137	682.904	584.923	26556.488	491.514	33015.109	90.335	2.955	59.315
12-2015	909.479	52248.508	699.477	575.575	26611.768	505.743	33039.680	90.432	2.957	59.315
12-2016	830.319	50616.863	673.404	530.536	26240.180	487.321	32347.324	90.557	2.963	59.315
12-2017	699.435	44742.176	577.929	447.698	23428.996	417.865	28622.371	90.575	2.966	59.315
12-2018	553.202	36689.469	557.172	352.867	19292.670	402.500	23824.877	90.446	2.962	59.315
12-2019	453.065	31837.885	489.386	288.360	16879.131	353.090	20727.834	90.412	2.963	59.315
12-2020	392.717	28545.773	440.098	250.511	15247.413	317.439	18655.107	90.398	2.963	59.315
12-2021	350.201	25955.461	403.179	224.256	13991.973	290.710	17081.770	90.379	2.964	59.315
12-2022	315.600	23833.490	373.419	203.765	12943.026	269.214	15780.895	90.369	2.965	59.315
12-2023	293.934	21919.836	347.813	188.622	11974.273	250.724	14610.349	90.354	2.964	59.315
12-2024	269.264	20270.080	324.749	173.250	11152.338	234.063	13596.216	90.344	2.965	59.315
12-2025	248.532	18850.266	305.878	160.255	10434.949	220.447	12719.165	90.342	2.965	59.315
12-2026	229.510	17407.452	288.726	148.371	9706.995	208.073	11845.658	90.336	2.965	59.315
S-TOT	7966.290	507006.812	7227.132	5078.305	266322.438	5214.055	328076.625	90.410	2.961	59.315
AFTER	2299.872	174734.094	3501.967	1504.160	104240.656	2520.271	128387.266	90.324	2.953	59.315
TOTAL	10266.161	681740.938	10729.099	6582.464	370563.094	7734.326	456463.906	90.391	2.958	59.315

MO-YEAR	TOTAL NET SALES	SEVERANCE TAXES	AD VALOREM TAXES	DIRECT OPER EXPENSE	CAPITAL INVESTMENT	FUTURE NET CASHFLOW	CUMULATIVE CASHFLOW	10.0% DISC CASHFLOW	10.0% DISC CUM
MO-YEAR	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---
12-2012	86916.188	3439.066	5004.916	20364.693	12645.561	45461.941	45461.941	44380.016	44380.016
12-2013	167847.188	6706.456	9875.105	40797.984	31797.996	78669.688	124131.633	71470.406	115850.422
12-2014	160476.344	6526.692	9467.036	40493.621	30933.664	73055.344	197186.969	60299.699	176150.125
12-2015	160752.484	7030.851	9113.691	40556.859	37404.336	66446.703	263633.688	49801.148	225951.281
12-2016	154705.938	7146.892	8764.446	39773.438	19002.443	80018.644	343652.344	54697.926	280649.219
12-2017	134830.891	6190.171	8221.123	36766.887	7810.526	75842.172	419494.531	47239.762	327888.969
12-2018	112938.344	4866.112	7604.214	32976.895	4161.300	63329.875	482824.406	35726.359	363615.312
12-2019	97023.312	4037.988	6915.174	30332.572	0.000	55537.598	538362.000	28546.531	392161.844
12-2020	86650.344	3545.346	6181.166	28793.764	0.000	48130.105	586492.125	22483.283	414645.156
12-2021	78987.469	3203.136	5565.861	27340.912	0.000	42877.539	629369.688	18206.111	432851.250
12-2022	72756.938	2939.959	5119.541	26063.787	0.000	38633.625	668003.250	14911.842	447763.094
12-2023	67409.344	2722.621	4673.708	24788.543	93.916	35130.559	703133.812	12325.006	460098.094
12-2024	62597.789	2521.660	4304.313	23677.588	0.000	32094.236	735228.062	10237.129	470325.219
12-2025	58496.203	2355.551	3957.494	22842.139	0.000	29321.058	764549.062	8502.188	478827.406
12-2026	54528.594	2199.651	3585.927	21932.408	0.000	26810.645	791359.688	7067.454	485894.844
S-TOT	1556917.500	65432.156	98353.719	457722.125	144049.750	791359.688	791359.688	485894.844	485894.844
AFTER	593133.812	24517.525	36919.094	300057.938	0.000	231639.297	1022999.062	32691.309	518586.094
TOTAL	2150051.250	89949.680	135272.812	757780.125	144049.750	1022999.000	1022999.062	518586.156	518586.094

	OIL	GAS	YEARS LIFE FROM 07/2012	D.W. %	P.W. %	
GROSS WELLS	445.0	1343.0	75.00	5.00	688846.938	
GROSS OIL, MB & MCF	22292.316	1969335.125	DISCOUNT %	10.00	518586.188	
GROSS COM., MB & MCF	12026.155	1251520.000	UNDISCOUNTED PAYOUT, YRS.	0.11	416804.812	
GROSS RES., MB & MCF	10266.162	681740.938	DISCOUNTED PAYOUT, YRS.	0.11	349337.031	
NET RES., MB & MCF	6582.464	370563.062	UNDISCOUNTED NET/INVEST.	8.10	301932.406	
NET REVENUE, M\$	594993.125	1096293.375	DISCOUNTED NET/INVEST.	5.48	30.00	265444.812
INITIAL PRICE, \$	90.407	2.958	RATE-OF-RETURN, PCT.	100.00	35.00	239249.594
INITIAL N.I., PCT.	62.529	33.846	INITIAL W.I., PCT.	77.511	40.00	217593.078
				50.00	185416.797	
				60.00	162728.188	
				100.00	114191.484	

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
 LEE KEELING AND ASSOCIATES, INC.

GRAND TOTAL PROVIDED  
 HARBINGER GROUP INC  
 OIL AND GAS PROPERTIES  
 OWNED BY EXCO RESOURCES INC  
 SEC 2Q12 PRICING

DATE : 12/10/2012  
 TIME : 10:08:24  
 DBS FILE : ADMIN  
 SCENARIO : LKA2Q12  
 PRCO QOAL : LKA2Q12R  
 OWNERSHIP : EXC2012  
 INPUTSET : LKA2Q12

RESERVES AND ECONOMICS  
 EFFECTIVE DATE: 07/2012

MO-YEAR	GROSS OIL PRODUCTION	GROSS GAS PRODUCTION	GROSS NGL PRODUCTION	NET OIL PRODUCTION	NET GAS PRODUCTION	NET NGL PRODUCTION	NET GAS EQUIVALENT	NET OIL PRICE	NET GAS PRICE	NET NGL PRICE
	---MBOBLS---	---MMCF---	---MBOBLS---	---MBOBLS---	---MMCF---	---MBOBLS---	---MMCF---	---\$/BBL---	---\$/MCF---	---\$/BBL---
12-2012	512.489	27403.070	353.797	329.253	14235.817	255.312	17743.201	90.334	2.952	59.315
12-2013	965.201	54055.152	709.200	620.082	27626.441	510.041	34407.062	90.337	2.953	59.315
12-2014	943.341	52631.137	682.904	584.923	26556.488	491.514	33019.109	90.335	2.953	59.315
12-2015	909.479	52248.508	699.477	575.575	26611.768	505.743	33099.680	90.432	2.957	59.315
12-2016	830.319	50616.863	673.404	530.536	26240.180	487.321	32347.324	90.557	2.963	59.315
12-2017	699.435	44742.176	577.929	447.698	23428.996	417.865	28622.371	90.575	2.966	59.315
12-2018	553.202	36689.469	537.172	352.867	19292.670	402.500	23824.877	90.446	2.962	59.315
12-2019	453.065	31837.885	469.386	288.360	16879.131	353.090	20727.834	90.412	2.963	59.315
12-2020	392.717	28545.773	440.098	250.511	15247.413	317.439	18655.107	90.398	2.963	59.315
12-2021	350.201	25955.461	403.179	224.256	13991.973	290.710	17081.770	90.379	2.964	59.315
12-2022	315.600	23833.490	373.419	203.765	12943.026	269.214	15780.895	90.369	2.965	59.315
12-2023	293.934	21919.836	347.813	188.622	11974.273	250.724	14610.349	90.354	2.964	59.315
12-2024	269.264	20270.080	324.749	173.250	11152.338	234.063	13596.216	90.344	2.965	59.315
12-2025	248.532	18850.266	305.878	160.255	10434.849	220.447	12719.165	90.342	2.965	59.315
12-2026	229.310	17407.652	288.726	148.371	9706.995	208.073	11845.658	90.336	2.965	59.315
S-TOT	7966.290	507006.812	7227.132	5078.305	266322.438	5214.055	328076.625	90.410	2.961	59.315
AFTER	2299.872	174734.094	3501.967	1504.160	104240.656	2520.271	128387.266	90.324	2.953	59.315
TOTAL	10266.161	681740.938	10729.099	6582.464	370563.094	7734.326	456463.896	90.391	2.958	59.315

MO-YEAR	TOTAL NET SALES	SEVERANCE TAXES	AD VALOREM TAXES	DIRECT OPER EXPENSE	CAPITAL INVESTMENT	FUTURE NET CASHFLOW	CUMULATIVE CASHFLOW	10.0% DISC CASHFLOW	CUM 10.0% DISC CF
	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---	---M\$---
12-2012	86916.188	3439.066	5004.916	20364.693	12645.561	45461.941	45461.941	44380.016	44380.016
12-2013	167847.188	6706.456	9875.105	40797.984	31797.996	78669.688	124131.633	71470.406	115850.422
12-2014	140476.344	6526.692	9467.036	40493.621	30933.664	73055.344	197186.969	60299.499	176150.325
12-2015	140752.484	7030.851	9113.691	40556.859	37604.336	66446.703	263633.688	49801.148	225951.281
12-2016	134705.938	7146.892	8764.446	39773.438	19002.443	80018.664	343652.344	54697.926	280649.219
12-2017	134830.891	6190.171	8221.123	36766.887	7810.526	75842.172	419494.531	47239.762	327888.969
12-2018	112938.344	4866.112	7604.214	32976.895	4161.300	63329.875	482824.406	35726.359	363615.312
12-2019	97023.312	4037.988	6915.174	30532.572	0.000	55537.598	538362.000	28346.531	392161.844
12-2020	86650.344	3545.346	6181.166	28793.764	0.000	48130.105	586492.125	22483.293	414645.156
12-2021	78967.469	3203.136	5565.861	27340.912	0.000	42877.539	629369.688	18206.111	432851.250
12-2022	72756.938	2939.959	5119.341	26063.787	0.000	38633.625	668003.250	14911.842	447763.094
12-2023	67409.344	2722.621	4673.708	24788.543	93.916	35130.559	703133.812	12325.006	460088.094
12-2024	62597.789	2521.660	4304.313	23677.588	0.000	32094.236	735228.062	10237.129	470325.219
12-2025	58496.203	2355.551	3957.494	22862.138	0.000	29321.008	764549.062	8502.188	478827.406
12-2026	54528.594	2199.651	3585.927	21932.408	0.000	26810.645	791359.688	7047.454	485894.844
S-TOT	1556917.500	63432.156	98353.719	457722.125	144049.750	791359.688	791359.688	485894.844	485894.844
AFTER	593133.812	24517.525	36919.094	300057.938	0.000	231639.297	1022999.062	32691.309	518586.094
TOTAL	2150051.312	89949.680	135272.812	757780.125	144049.750	1022999.000	1022999.062	518586.156	518586.094

	OIL	GAS	YEARS LIFE FROM 07/2012	P.W. %	P.W. %
GROSS WELLS	445.0	1343.0	75.00	5.00	688846.938
GROSS OIL, NB & MMF	22292.316	1969335.125	DISCOUNT %	10.00	518586.188
GROSS COM, NB & MMF	12026.155	1251520.000	UNDISCOUNTED PAYOUT, YRS.	0.11	416804.812
GROSS RES., NB & MMF	10266.162	681740.938	DISCOUNTED PAYOUT, YRS.	0.11	349537.031
NET RES., NB & MMF	6582.464	370563.062	UNDISCOUNTED NET/INVEST.	8.10	301932.406
NET REVENUE, M\$	594993.125	1096293.375	DISCOUNTED NET/INVEST.	5.48	266544.812
INITIAL PRICE, \$	90.607	2.958	RATE-OF-RETURN, PCT.	100.00	239249.594
INITIAL N.I., PCT.	62.529	33.846	INITIAL W.I., PCT.	77.511	217583.078
				50.00	185416.797
				60.00	162728.188
				100.00	114191.484

THIS SCHEDULE IS PART OF AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
 LEE KEELING AND ASSOCIATES, INC.



---

**SCHEDULE NO. 2**

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
<b><u>PROVED DEVELOPED PRODUCING RESERVES</u></b>													
1665	SUGG 10-2,3,4,5,6,7,8,10,11,12	1PDP	TX	IRICN	SUGG RANCH	197.761	2,525.620	143.871	1,837.389	0.970000	0.727500	30,086.802	14,751.996
1928	SUGG 5A-1,2,3,4,5,6,7,8,9,10,11,12,13	1PDP	TX	IRICN	SUGG RANCH	322.037	1,554.044	234.282	1,130.567	0.970000	0.727500	26,130.886	14,053.355
34889	SUGG 214-21	1PDP	TX	IRICN	SUGG RANCH	235.184	59.300	171.097	43.141	0.970000	0.727500	14,169.797	10,460.884
1736	SJT E2,4,5,7,8,9,12,13,14,15,16,17,19	1PDP	TX	IRICN	SUGG RANCH	208.712	1,408.127	151.838	1,024.413	0.970000	0.727500	17,038.248	10,107.962
2256	SUGG FARMAR 9-1,2,4,5,8,10	1PDP	TX	IRICN	SUGG RANCH	232.303	705.952	169.000	513.580	0.970000	0.727500	16,686.523	9,427.198
1272	SUGG 9H-1,2,3,4,5,6,7,8,9,10,11,12,13	1PDP	TX	IRICN	SUGG RANCH	129.988	1,634.076	94.566	1,188.790	0.970000	0.727500	15,960.354	8,745.947
1943	SUGG 7A-1,2,3,4,5,6,7,8,9,10,11,12	1PDP	TX	IRICN	SUGG RANCH	219.877	773.511	159.961	562.729	0.970000	0.727500	14,583.126	7,285.815
1221	SUGG 7-1,2,3,4,7,8,9,11,12,13,14,15,1	1PDP	TX	IRICN	SUGG RANCH	138.527	949.408	100.779	690.694	0.970000	0.727500	11,874.274	7,087.085
1983	SUGG 1910-1,2,3,4,5,6,7,8,9	1PDP	TX	IRICN	SUGG RANCH	205.461	377.233	149.473	274.437	0.970000	0.727500	11,384.705	6,833.727
2282	SHEEN 10-1,2,3,4,5,6,7,8,9,10,12	1PDP	TX	IRICN	SUGG RANCH	123.856	958.215	93.710	724.566	0.970000	0.756600	12,074.860	6,669.191
1223	SUGG 8-1,2R,3,4,5,6,7,8,9,10,11,12,13	1PDP	TX	IRICN	SUGG RANCH	103.476	1,036.192	75.279	753.820	0.970000	0.727500	10,083.307	5,730.698
34878	SHEEN 8B-02	1PDP	TX	IRICN	SUGG RANCH	156.566	122.677	117.425	72.119	1.000000	0.750000	9,961.104	5,635.943
2051	SUGG 1911-1,2,3,4,5,6	1PDP	TX	IRICN	SUGG RANCH	161.987	310.668	117.846	226.011	0.970000	0.727500	9,183.547	5,121.925
1753	SUGG 214-1,2,4,5,7,8,9,10,11,14,15,16	1PDP	TX	IRICN	SUGG RANCH	83.451	1,168.193	60.711	849.860	0.970000	0.727500	9,945.520	5,005.276
34877	SHEEN 8B-1	1PDP	TX	IRICN	SUGG RANCH	51.825	754.756	38.888	447.553	1.000000	0.750000	8,754.635	4,263.910
1209	SUGG 1-1,2,3,5,6,9,10,11,12,13,15	1PDP	TX	IRICN	SUGG RANCH	104.528	623.684	76.044	453.730	0.970000	0.727500	7,585.588	4,250.114
2243	SUGG FARMAR 22-1,2,3,4,5,6,7,8,9	1PDP	TX	IRICN	SUGG RANCH	84.470	551.098	61.452	400.924	0.970000	0.727500	6,608.459	3,819.365
1959	SUGG 8A-1,2,3,4,5,6,7,8,9	1PDP	TX	IRICN	SUGG RANCH	105.279	345.857	76.590	251.611	0.970000	0.727500	5,937.212	3,796.132
2035	CLARK 10-2,3,4,5,6,7	1PDP	TX	IRICN	SUGG RANCH	112.583	155.413	85.180	117.585	0.970000	0.756600	5,794.073	3,527.603
1800	SUGG JANE TAYLOR 1-1,3,6,10,11,18	1PDP	TX	IRICN	SUGG RANCH	100.821	273.536	73.347	198.997	0.970000	0.727500	5,622.534	3,209.457
1212	SUGG 2-3,4,7,8,12R,14,15,16	1PDP	TX	IRICN	SUGG RANCH	58.306	532.654	42.418	387.506	0.970000	0.727500	5,690.910	2,909.782
1363	SUGG 6-2,3,4,5,6,7,8,9	1PDP	TX	IRICN	SUGG RANCH	48.171	578.599	35.045	420.931	0.970000	0.727500	5,041.527	2,907.859
2380	NOELKE SUGG UNIT 01	1PDP	TX	IRICN	SUGG RANCH	33.795	148.275	24.586	107.870	0.970000	0.727500	3,416.409	2,902.207
2285	SUGG FARMAR 7-1,2,3,4R,5,6	1PDP	TX	IRICN	SUGG RANCH	65.007	400.199	47.292	291.145	0.970000	0.727500	5,083.943	2,880.691
1785	SUGG 3A-1,2,3,4,5,6,7,8	1PDP	TX	IRICN	SUGG RANCH	22.273	606.863	16.204	441.493	0.970000	0.727500	4,258.281	2,792.481
35197	STEWART HARRISON 30-7 ALT	1PDP	LA	JACKSON	VERNON	0.460	4,620.053	0.346	3,475.134	0.988084	0.752185	6,782.527	2,770.914
1798	SUGG FARMAR 24-1,2,3,4,6,7	1PDP	TX	IRICN	SUGG RANCH	49.000	433.959	35.648	315.705	0.970000	0.727500	4,530.626	2,543.917
35217	BAKER 16-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,947.831	0.000	2,258.041	0.977534	0.766001	4,508.911	2,508.511

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
1218	SUGG 5-3,4,5,6,7,8	1PDP	TX	IRION	SUGG RANCH	19.470	651.098	14.164	473.673	0.970000	0.727500	4,578.216	2,472.769
1224	SUGG 9-1,2,3,4,5,6	1PDP	TX	IRION	SUGG RANCH	94.029	189.121	68.406	137.586	0.970000	0.727500	5,115.067	2,379.566
35052	DAVIS BROS 29-1	1PDP	LA	JACKSON	VERNON	0.000	4,092.015	0.000	3,151.567	1.000000	0.770175	5,713.335	2,331.198
34888	COX 60A-1	1PDP	TX	IRION	SUGG RANCH	29.746	228.594	22.310	171.445	1.000000	0.750000	3,568.977	2,269.235
35177	ROBINSON 11-2 ALT	1PDP	LA	JACKSON	VERNON	1.468	2,357.002	0.980	1,573.567	0.895833	0.667614	3,800.585	2,223.154
34865	RENFRO 11A 2	1PDP	TX	IRION	SUGG RANCH	54.642	92.316	39.752	67.160	0.970000	0.727500	3,623.190	2,186.130
2254	SUGG FARMAR 9 -11	1PDP	TX	IRION	SUGG RANCH	33.889	218.468	24.655	158.936	0.970000	0.727500	3,571.965	1,984.633
40089	AGURS,WC 4	1PDP	TX	PANOLA	BETHANY, NE	178.520	0.000	66.945	0.000	0.500000	0.375000	5,083.188	1,871.632
35041	LA MINERALS 34-1	1PDP	LA	JACKSON	VERNON	0.000	3,712.410	0.000	2,429.145	0.875000	0.654331	4,599.455	1,828.735
2296	SHEEN 8A-4	1PDP	TX	IRION	SUGG RANCH	43.253	120.069	31.467	87.350	0.970000	0.727500	3,114.648	1,785.169
1759	SUGG 1A-08	1PDP	TX	IRION	SUGG RANCH	19.847	220.352	14.439	160.306	0.970000	0.727500	2,791.651	1,648.532
35088	DAVIS LUMBER 10-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	3,213.653	0.000	2,245.257	0.918183	0.698662	3,939.335	1,647.957
35261	JURA WILSON ET AL 30-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,957.917	0.000	2,224.901	0.988084	0.752185	3,773.831	1,611.964
34880	SHEEN 8B-3	1PDP	TX	IRION	SUGG RANCH	29.298	175.732	21.973	106.229	1.000000	0.750000	2,723.737	1,579.975
35174	DAVIS LUMBER 10-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,933.287	0.000	2,049.377	0.918183	0.698662	3,509.486	1,546.116
35384	HARRISON ET AL 29A-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,720.744	0.000	2,095.446	1.000000	0.770174	3,498.894	1,504.325
1466	RENFRO 11 06	1PDP	TX	IRION	SUGG RANCH	34.266	109.885	25.427	81.525	0.970000	0.742050	2,578.661	1,495.871
35198	STEWART HARRISON 30-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,479.342	0.000	1,864.924	0.988084	0.752185	3,287.599	1,494.221
1217	SUGG 3-3,7,12,13,14,15,16	1PDP	TX	IRION	SUGG RANCH	22.004	343.388	16.008	249.815	0.970000	0.727500	2,335.678	1,485.327
1230	SUGG 53-1,2,3 & 54-1,2,3,5	1PDP	TX	TOM GREEN	SUGG RANCH	21.677	329.858	15.770	239.972	0.970000	0.727500	2,300.822	1,469.718
1228	SUGG 43-1,2,3,4(S),5,6,8	1PDP	TX	TOM GREEN	SUGG RANCH	31.995	258.583	23.233	188.119	0.970000	0.727500	2,377.913	1,463.039
36001	STURGIS-NIX 11-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,820.944	0.000	1,975.287	0.920267	0.700222	3,337.729	1,446.966
2109	SUGG FARMAR 29-1,2,3,4,5	1PDP	TX	IRION	SUGG RANCH	23.629	273.823	17.190	199.206	0.970000	0.727500	2,297.519	1,436.118
35146	HARRISON 29-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,490.296	0.000	1,917.961	1.000000	0.770174	3,137.601	1,434.638
1717	SUGG JANE TAYLOR 01 32	1PDP	TX	IRION	SUGG RANCH	34.914	70.691	25.400	51.428	0.970000	0.727500	2,255.078	1,418.585
2110	SUGG FARMAR 41A-1,2,3,4	1PDP	TX	IRION	SUGG RANCH	10.592	383.239	7.706	278.806	0.970000	0.727500	2,539.876	1,403.597
3001	SUGG 5A 16	1PDP	TX	IRION	SUGG RANCH	31.159	117.344	22.668	85.368	0.970000	0.727500	2,415.696	1,393.092
35214	STEWART HARRISON 30-5 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,341.794	0.000	1,761.462	0.988084	0.752185	3,005.536	1,335.485
35071	DAVIS LUMBER 11-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,343.057	0.000	1,639.555	0.920264	0.700222	2,853.304	1,306.132

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35123	ELEANOR BROWN 29-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,092.203	0.000	1,611.360	1.000000	0.770174	2,719.435	1,291.758
35188	HODDE 28-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,145.822	0.000	1,634.389	1.000000	0.761661	2,772.372	1,278.174
34989	CARTER 1909A -2	1PDP	TX	IRION	SUGG RANCH	9.486	224.367	6.901	163.227	0.970000	0.727500	2,211.317	1,241.925
35256	CLYDE BOWDEN ET AL 19-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,104.558	0.000	1,583.530	0.964176	0.763870	2,767.682	1,209.971
	2045 SUGG 9A-9	1PDP	TX	IRION	SUGG RANCH	35.833	58.887	26.068	42.840	0.970000	0.727500	2,125.408	1,203.512
35793	BROOKS ETAL 28-1	1PDP	LA	JACKSON	VERNON	0.000	2,955.274	0.000	1,639.757	0.732736	0.554858	2,813.944	1,203.076
35199	STEWART HARRISON 30-6 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,287.327	0.000	1,720.493	0.988084	0.752185	2,692.655	1,198.512
35077	PATTERSON ESTATE 3-ALT	1PDP	LA	JACKSON	VERNON	0.000	2,117.349	0.000	1,621.891	0.977534	0.766001	2,743.189	1,192.195
35125	DAVIS BROS 29-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,149.200	0.000	1,655.260	1.000000	0.770175	2,587.993	1,190.427
35158	STEWART HARRISON 30-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,197.038	0.000	1,652.580	0.988084	0.752185	2,615.414	1,188.883
	2038 CLARK 10-9	1PDP	TX	IRION	SUGG RANCH	30.298	64.407	22.924	48.730	0.970000	0.756600	1,987.212	1,177.358
35980	DAVIS BROS 29-13 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,087.738	0.000	1,607.921	1.000000	0.770174	2,473.293	1,170.243
35087	SMITH 9-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,069.973	0.000	1,585.602	0.977534	0.766001	2,522.450	1,148.780
35369	JACKSON PARISH SCHOOL BOARD	1PDP	LA	JACKSON	VERNON	0.000	1,942.372	0.000	1,483.720	0.964176	0.763870	2,336.507	1,140.434
	2291 SHEEN 8-1,2,3	1PDP	TX	IRION	SUGG RANCH	36.328	84.423	27.486	63.874	0.970000	0.756600	1,896.497	1,130.171
34875	CARTER 1909A 1	1PDP	TX	IRION	SUGG RANCH	28.736	30.058	28.180	21.867	0.970000	0.727500	1,977.807	1,126.504
	1415 SUGG 1-14	1PDP	TX	IRION	SUGG RANCH	17.530	129.892	12.753	94.496	0.970000	0.727500	1,808.579	1,124.727
35149	WILLIAM NX 11-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,955.585	0.000	1,561.424	1.000000	0.798443	2,454.400	1,124.345
35357	DAVIS BROS 29-11 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,037.691	0.000	1,569.377	1.000000	0.770174	2,411.293	1,122.752
35310	DAVIS BROS 19A-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,548.788	0.000	1,208.239	1.000000	0.780129	1,951.359	1,109.569
35140	DAVIS BROS 30-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,990.860	0.000	1,497.495	0.988084	0.752185	2,431.072	1,102.371
35879	STEWART HARRISON 28-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,567.846	0.000	1,510.179	0.782176	0.590736	2,499.930	1,089.656
35162	FLOYD OSBOURNE SR 25-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,106.707	0.000	1,488.017	0.926710	0.706324	2,312.114	1,070.150
35236	TALBOT 29-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,824.084	0.000	1,404.862	1.000000	0.770174	2,121.029	1,052.820
35407	DAVIS BROS 29-12 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,951.135	0.000	1,502.715	1.000000	0.770175	2,262.466	1,044.975
35328	STEWART HARRISON 25-8 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,625.951	0.000	1,148.448	0.926710	0.706324	1,848.151	1,032.334
35096	BEASLEY 9-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,942.129	0.000	1,487.672	0.977534	0.766001	2,305.795	1,029.936
35338	MCDOWELL ET AL 3-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,081.727	0.000	1,457.209	0.919967	0.700000	2,309.543	1,025.623
35837	LA MINERALS 18B-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,010.381	0.000	1,497.571	1.000000	0.744919	2,269.950	1,024.757

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35196	DAVIS BROS 30-6 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,560.904	0.000	1,174.089	0.988084	0.752185	1,816.896	1,022.440
35159	HODDE 28-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,928.801	0.000	1,469.092	1.000000	0.761661	2,200.726	1,011.164
2030	CLARK 10B-1	1PDP	TX	IRION	SUGG RANCH	23.299	90.439	17.703	68.719	0.970000	0.759833	1,821.116	1,006.434
1241	SUGG FARMAR 40-3,4,5,6,7	1PDP	TX	IRION	SUGG RANCH	18.194	238.115	13.236	173.229	0.970000	0.727500	1,584.552	1,005.238
40548	RUDD E 18	1PDP	TX	HARRISON	BETHANY, NE	71.872	0.000	28.080	0.000	0.488961	0.390698	1,911.927	966.737
35086	LA MINERALS 7-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,698.966	0.000	1,339.938	1.000000	0.789679	2,053.969	963.843
35642	DAVIS BROS 30-10 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,431.885	0.000	1,077.043	0.988084	0.752185	1,666.796	951.413
35097	RITCHIE 17-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,839.817	0.000	1,308.311	0.905714	0.711109	2,124.147	946.205
1472	SUGG 2-6	1PDP	TX	IRION	SUGG RANCH	20.950	124.911	15.241	90.873	0.970000	0.727500	1,876.398	936.790
35057	BARNES 30-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,756.280	0.000	1,321.048	0.988084	0.752185	1,976.970	933.199
1769	SUGG 3A-9	1PDP	TX	IRION	SUGG RANCH	3.879	187.837	2.822	136.682	0.970000	0.727500	1,580.641	931.455
1237	SUGG FARMAR 39-1	1PDP	TX	IRION	SUGG RANCH	6.451	229.695	4.693	167.103	0.970000	0.727500	1,946.424	930.113
35139	TURNER ET AL 30-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,394.730	0.000	1,049.095	0.988084	0.752185	1,608.555	917.233
1746	SUGG JANE TAYLOR 01 36	1PDP	TX	IRION	SUGG RANCH	28.839	21.317	20.980	15.508	0.970000	0.727500	1,435.415	912.895
35187	PATTERSON ESTATE 4-ALT	1PDP	LA	JACKSON	VERNON	0.000	1,677.145	0.000	1,284.816	0.978058	0.766394	2,025.369	910.965
35877	DAVIS BROS 28A-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,740.190	0.000	965.559	0.732736	0.554858	1,602.080	889.774
35277	LA MINERALS 7-5 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,521.829	0.000	1,201.110	1.000000	0.789254	1,871.647	865.703
35023	FISHER 15-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,588.777	0.000	1,203.815	1.000000	0.757699	1,826.511	863.193
35307	DAVIS BROS J-10 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,650.643	0.000	1,127.690	0.882162	0.683182	1,704.169	848.359
35263	DAVIS BROS 30-8 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,655.789	0.000	1,245.460	0.988084	0.752185	1,771.621	846.250
35359	HARVEY 14-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,624.340	0.000	1,241.487	1.000000	0.787120	1,794.913	844.080
1748	SUGG J.D. 23-1,2,4,5	1PDP	TX	IRION	SUGG RANCH	9.813	249.036	7.139	181.174	0.970000	0.727500	1,400.844	839.477
35312	STEWART HARRISON 25-10 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,688.514	0.000	1,192.638	0.926710	0.706324	1,733.138	833.393
35278	LA MINERALS 7-6 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,559.060	0.000	1,230.495	1.000000	0.789254	1,774.853	822.686
1121	HORNE 1	1PDP	TX	DAWSON	ACKERLY	53.345	6.534	42.340	5.186	1.000000	0.793701	2,443.277	820.299
35314	LEONARD 25-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,219.861	0.000	912.681	0.953332	0.732945	1,364.024	819.327
35191	DAVIS BROS 29-6 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,510.782	0.000	1,163.565	1.000000	0.770174	1,605.287	809.439
35086	CLEVELAND WEST ET AL 20-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,605.254	0.000	1,124.852	0.932417	0.700731	1,741.134	803.585
35260	DAVIS BROS 28-7 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,523.652	0.000	1,160.506	1.000000	0.761661	1,711.350	790.449

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35213	STEWART HARRISON 25-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,711.169	0.000	1,208.640	0.926710	0.706324	1,715.693	786.783
35329	DAVIS BROS 13-7 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,592.717	0.000	1,184.934	0.968878	0.743970	1,686.704	784.647
35136	DAVIS BROS 18-1	1PDP	LA	JACKSON	VERNON	0.000	1,553.547	0.000	1,242.838	1.000000	0.800000	1,707.313	784.339
35070	WILLAMETTE 11-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,348.031	0.000	1,076.326	1.000000	0.798443	1,514.426	769.484
35141	DAVIS BROS 30-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,545.367	0.000	1,162.402	0.988084	0.752185	1,606.834	760.361
2044	CLARK 10-8	1PDP	TX	IRION	SUGG RANCH	21.428	33.321	16.212	25.211	0.970000	0.756600	1,203.866	754.827
36996	LANGENDAL ET AL 15-1	1PDP	LA	JACKSON	KELLEYS	18.620	246.229	13.915	184.003	0.988220	0.747287	964.195	752.129
35293	MCCONNELL ESTATE 14-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,421.581	0.000	1,077.131	1.000000	0.757699	1,591.406	746.182
35428	DAVIS BROS 17C-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,248.338	0.000	992.401	1.000000	0.800000	1,380.576	745.229
35093	NIX 2-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,324.201	0.000	1,057.299	1.000000	0.798443	1,490.768	743.627
35122	DAVIS BROS 28-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,419.494	0.000	1,093.259	1.000000	0.770175	1,485.466	736.633
38067	GRIFFIN RANCH OU #A-02	1PDP	TX	GREGG	DANVILLE	46.309	61.048	17.670	23.284	0.500000	0.381571	1,261.957	736.378
35222	LA MINERALS 18A-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,323.018	0.000	1,065.343	0.996863	0.805237	1,588.572	736.353
35279	OXFORD 5 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,652.118	0.000	1,103.942	0.890539	0.668198	1,575.728	733.226
35193	DAVIS BROS 29-10 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,296.315	0.000	968.388	1.000000	0.770174	1,339.419	730.637
1692	SUGG 2-13	1PDP	TX	IRION	SUGG RANCH	6.057	166.967	4.407	121.483	0.970000	0.727500	1,463.267	730.200
35190	DAVIS BROS 28-6 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,169.196	0.000	890.531	1.000000	0.761661	1,248.698	729.338
35363	BROWN ET AL 25-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,459.587	0.000	1,069.797	0.953320	0.732945	1,549.113	726.654
2304	MIDDLE CONCHO 1904-2	1PDP	TX	IRION	SUGG RANCH	12.622	74.132	9.182	53.931	0.970000	0.727500	1,072.389	726.071
35090	WILLAMETTE 11-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,364.567	0.000	1,089.529	1.000000	0.798443	1,501.519	711.393
35114	DAVIS BROS 28-1	1PDP	LA	JACKSON	VERNON	0.000	1,458.230	0.000	1,110.677	1.000000	0.761661	1,512.692	710.636
35429	DAVIS BROS 20A-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,492.486	0.000	1,048.535	0.942227	0.702543	1,432.639	706.412
35352	ALVIN BARR 12-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,372.248	0.000	1,082.263	1.000000	0.788679	1,481.950	705.238
1114	HAMIL B-1	1PDP	TX	DAWSON	ACKERLY	47.205	49.259	16.440	17.155	0.469579	0.348262	1,169.929	703.053
35205	DAVIS BROS 20-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,551.828	0.000	1,087.414	0.932417	0.700731	1,507.354	699.848
35124	HOBSON 29-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,339.963	0.000	1,032.006	1.000000	0.770175	1,487.227	694.895
35120	DAVIS BROS 29-5 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,420.615	0.000	1,094.122	1.000000	0.770175	1,456.555	694.768
35155	STEWART HARRISON 25-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,517.437	0.000	1,071.802	0.926710	0.706324	1,472.225	693.274
35065	LEWIS 14-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,367.243	0.000	962.526	0.913412	0.707921	1,433.837	691.226

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
2020	SUGG 3-11	1PDP	TX	IRION	SUGG RANCH	1.580	186.670	1.149	135.803	0.970000	0.727500	1,402.960	690.883
1689	SUGG 2-10	1PDP	TX	IRION	SUGG RANCH	13.882	97.761	10.099	71.121	0.970000	0.727500	1,293.555	686.186
35410	BLALOCK 35-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,682.313	0.000	1,038.617	0.799337	0.617374	1,471.098	685.718
35370	DAVIS BROS 8-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,314.690	0.000	1,037.624	1.000000	0.788254	1,441.811	681.085
35321	DAVIS BROS G-5 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,434.489	0.000	1,020.078	0.935714	0.711109	1,410.347	678.955
35173	EDWIN SOUR ET AL 7-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	977.918	0.000	773.049	1.000000	0.790505	1,115.870	661.390
35195	DAVIS BROS 29-8 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,307.671	0.000	1,007.134	1.000000	0.770174	1,302.940	657.915
43317	AGURS.WC 5	1PDP	TX	PANOLA	BETHANY, NE	60.754	0.000	22.783	0.000	0.500000	0.375000	1,490.545	657.254
40421	MHS-VANCE 1	1PDP	TX	HARRISON	WASKOM	43.620	136.954	16.357	51.358	0.500000	0.375000	1,203.961	655.661
35353	EDWIN SOUR ET AL 7-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,265.672	0.000	1,000.520	1.000000	0.790505	1,340.649	654.967
35313	STEWART HARRISON 25-9 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,282.344	0.000	905.750	0.926710	0.706324	1,215.947	647.936
1975	SUGG 9A-10	1PDP	TX	IRION	SUGG RANCH	19.988	28.540	14.541	20.763	0.970000	0.727500	1,020.525	646.758
35095	G S BUTLER ET AL 17-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,372.267	0.000	916.946	0.890539	0.688198	1,340.748	646.144
35224	LEWIS 15-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,450.145	0.000	990.713	0.882162	0.683182	1,360.437	641.429
35362	BELL 20-1	1PDP	LA	JACKSON	VERNON	0.000	1,652.800	0.000	962.265	0.801858	0.582203	1,351.449	641.185
35378	WEYERHAEUSER 11A-5 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,336.546	0.000	1,002.410	1.000000	0.750000	1,307.967	637.290
35242	LA MINERALS 18-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,257.756	0.000	950.164	1.000000	0.755444	1,337.802	633.807
35398	LOUIS BROWN ETAL 20-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	978.552	0.000	747.486	0.964178	0.763870	1,031.046	615.812
2031	CLARK 10A 2	1PDP	TX	IRION	SUGG RANCH	16.314	33.736	12.396	25.634	0.970000	0.759833	908.914	615.303
40546	RUDD C 16	1PDP	TX	HARRISON	BETHANY, NE	79.430	0.000	31.033	0.000	0.488961	0.390698	1,876.478	615.048
35309	DAVIS BROS 20-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,330.224	0.000	932.907	0.933168	0.701315	1,220.410	613.050
1901	SUGG 1A-1,2,3,4,5,6,7	1PDP	TX	IRION	SUGG RANCH	16.690	111.210	12.142	80.905	0.970000	0.727500	797.960	612.849
1889	SUGG FARMAR 38-3	1PDP	TX	IRION	SUGG RANCH	0.033	168.893	0.024	122.870	0.970000	0.727500	1,164.289	606.909
35150	OXFORD 4 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,319.804	0.000	881.890	0.890539	0.668198	1,173.848	606.395
1394	MCGILL 12-3	1PDP	TX	IRION	SUGG RANCH	0.384	141.763	0.296	107.639	0.970000	0.781552	1,036.092	603.880
1177	MB NOELKE 2-1,4,5,6,7	1PDP	TX	IRION	SUGG RANCH	23.460	158.067	17.067	115.008	0.970000	0.727500	1,730.316	603.281
35297	WEYERHAEUSER 26-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,212.177	0.000	967.439	1.000000	0.798101	1,233.653	601.322
35145	STEWART HARRISON 30-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,246.077	0.000	937.281	0.988084	0.752185	1,230.916	595.960
35001	DAVIS BROS E-1	1PDP	LA	JACKSON	VERNON	0.358	1,150.433	0.262	844.158	0.969173	0.733774	1,228.156	593.968

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
1236	SUGG FARMAR 26-1.2	1PDP	TX	IRION	SUGG RANCH	6.158	399.309	1.663	107.833	0.363750	0.270048	1,144.587	589.575
35059	DAVIS BROS 15B-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,071.506	0.000	821.344	0.978198	0.766533	1,110.286	585.887
38097	GRIFFIN RANCH GU #2-19	1PDP	TX	GREGG	DANVILLE	29.857	1,355.524	11.656	529.197	0.500000	0.390400	976.667	583.440
35264	STEWART HARRISON 25-7 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,443.261	0.000	877.955	0.926710	0.706324	1,181.679	582.709
1233	SUGG 68-1	1PDP	TX	IRION	SUGG RANCH	0.131	139.645	0.095	101.592	0.970000	0.727500	963.468	578.073
35316	LA MINERALS 7-7 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,043.115	0.000	822.682	1.000000	0.788679	1,117.555	577.842
35365	WEYERHAEUSER 10-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,233.590	0.000	932.450	1.000000	0.755883	1,175.840	575.921
1963	SUGG 8A-10	1PDP	TX	IRION	SUGG RANCH	13.669	46.633	9.959	33.925	0.970000	0.727500	870.811	573.853
35043	WEST HEIRS 17-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,218.315	0.000	866.355	0.935714	0.711109	1,190.858	570.693
1464	RENFRO 11 05	1PDP	TX	IRION	SUGG RANCH	17.257	27.374	12.805	20.313	0.970000	0.742050	899.907	570.424
35869	BELL 20-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,448.305	0.000	843.208	0.801858	0.582203	1,132.974	569.230
35092	DAVIS BROS 17B-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,145.882	0.000	865.649	1.000000	0.755444	1,155.920	568.406
1977	SUGG 9A-12	1PDP	TX	IRION	SUGG RANCH	15.782	27.333	11.481	19.885	0.970000	0.727500	820.367	566.677
1960	SUGG 8A 12	1PDP	TX	IRION	SUGG RANCH	15.642	32.935	11.380	23.960	0.970000	0.727500	829.533	566.394
35271	PATRICK CONE 7-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,076.747	0.000	867.037	0.996863	0.805237	1,130.701	564.950
35330	DAVIS BROS Q-9 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,322.144	0.000	892.682	0.895833	0.667614	1,139.969	562.633
1761	SUGG 1A-9	1PDP	TX	IRION	SUGG RANCH	9.014	62.556	6.557	45.510	0.970000	0.727500	786.963	562.235
35089	JONES 10-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,030.310	0.000	789.219	0.977534	0.786001	1,048.346	549.604
35402	THURMON 10-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	888.127	0.000	681.695	0.979164	0.767585	905.475	548.187
3004	SUGG FARMAR 26A-1	1PDP	TX	IRION	SUGG RANCH	3.699	118.608	2.691	86.288	0.970000	0.727500	942.651	547.818
35999	DAVIS LUMBER 10-5 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,118.082	0.000	782.906	0.920265	0.700222	1,060.450	538.939
35172	DAVIS BROS J-9 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,215.106	0.000	830.139	0.882162	0.683182	1,071.333	536.013
35115	HODDE 28-2 ALT	1PDP	LA	JACKSON	VERNON	1.750	1,037.113	1.333	789.928	1.000000	0.761661	1,035.360	531.320
1220	SUGG 6-1	1PDP	TX	IRION	SUGG RANCH	5.520	110.632	4.016	80.485	0.970000	0.727500	952.379	530.060
35170	DAVIS BROS 11-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,097.565	0.000	824.018	0.968512	0.750769	1,070.809	522.166
35401	BARHAM 20-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,160.225	0.000	841.027	0.967500	0.724882	1,020.411	520.403
35142	DAVIS BROS 30-1	1PDP	LA	JACKSON	VERNON	0.000	895.097	0.000	673.278	0.988084	0.752185	854.312	519.961
2279	SHEEN 10A-13	1PDP	TX	IRION	SUGG RANCH	14.648	27.885	10.657	20.272	0.970000	0.727500	766.304	519.355
35161	STEWART HARRISON 25-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,129.505	0.000	797.796	0.926710	0.706324	1,039.494	508.573

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.



HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35354	WEYERHAEUSER 11A-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	931.388	0.000	698.541	1.000000	0.750000	825.870	506.896
35078	LEONARD 20-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	920.294	0.000	704.191	0.965486	0.765181	918.778	506.626
36757	HODDE 14-2 ALT	1PDP	LA	JACKSON	KELLEYS	0.000	1,015.595	0.000	764.389	1.000000	0.752851	731.944	505.173
35298	DAVIS LUMBER 11-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,110.533	0.000	778.487	0.921305	0.701003	1,030.517	504.454
2043	SUGG 9A-7	1PDP	TX	IRION	SUGG RANCH	16.059	24.746	11.683	18.002	0.970000	0.727500	779.549	497.297
2985	SUGG 13 4	1PDP	TX	IRION	SUGG RANCH	9.194	62.190	6.688	45.243	0.970000	0.727500	766.566	495.910
35126	DAVIS BROS 29-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,003.656	0.000	772.991	1.000000	0.770175	897.222	495.826
35176	DAVIS LUMBER 11-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	833.190	0.000	588.156	0.927846	0.705908	749.058	493.784
2987	SUGG 13 6	1PDP	TX	IRION	SUGG RANCH	9.859	54.724	7.173	39.811	0.970000	0.727500	743.586	492.851
35171	ROBINSON 11-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	967.744	0.000	772.688	1.000000	0.798443	928.734	492.819
1562	SNELL 36-5	1PDP	TX	DAWSON	ACKERLY	35.403	14.236	9.293	3.737	0.350000	0.262500	667.530	487.596
35094	WILLIAMS ET AL 17-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,014.481	0.000	721.407	0.935714	0.711109	923.855	478.168
35366	R LEWIS ET VIR 7-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	940.975	0.000	757.708	0.996863	0.805237	960.852	478.742
1718	SUGG JANE TAYLOR 01 29	1PDP	TX	IRION	SUGG RANCH	14.028	17.798	10.206	12.948	0.970000	0.727500	667.158	476.371
34854	SUGG FARMAR 25-4	1PDP	TX	IRION	SUGG RANCH	1.551	120.474	1.129	87.645	0.970000	0.727500	835.188	473.827
35091	OXFORD 2 ALT	1PDP	LA	JACKSON	VERNON	0.000	913.094	0.000	610.127	0.890539	0.668198	780.863	473.312
1211	SUGG 2-1	1PDP	TX	IRION	SUGG RANCH	5.533	100.512	4.025	73.122	0.970000	0.727500	856.854	471.394
1629	SUGG 69-1	1PDP	TX	IRION	SUGG RANCH	0.000	140.994	0.000	102.573	0.970000	0.727500	911.276	470.675
35257	ANADARKO ET AL 20-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	937.260	0.000	715.945	0.964176	0.763870	907.548	466.342
1709	SUGG FARMAR 38-2	1PDP	TX	IRION	SUGG RANCH	0.417	122.656	0.304	89.232	0.970000	0.727500	804.418	466.262
35239	MCCARTY 7-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	934.448	0.000	737.517	1.000000	0.789254	906.020	466.100
35232	DAVIS BROS Q-7 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,123.814	0.000	750.274	0.895833	0.667614	903.371	461.166
35072	BARR 12-1	1PDP	LA	JACKSON	VERNON	0.000	859.307	0.000	686.108	1.000000	0.798443	847.071	459.181
35373	WEYERHAEUSER 2-1	1PDP	LA	JACKSON	VERNON	0.000	988.817	0.000	741.613	1.000000	0.750000	845.080	458.242
35192	DAVIS BROS 18A-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	979.143	0.000	739.688	1.000000	0.755444	904.200	457.940
35009	DAVIS BROS J-6 ALT	1PDP	LA	JACKSON	VERNON	0.000	996.531	0.000	680.812	0.882162	0.683182	877.401	449.503
35185	ROBERT CONE 12-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	903.597	0.000	721.470	1.000000	0.798443	884.358	447.979
35878	PARDUE 28-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	954.050	0.000	546.982	0.753278	0.573326	738.581	446.390
35367	JACLIN CORP 2A-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	841.245	0.000	671.686	1.000000	0.798443	841.484	445.136

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
1022	BROWN BC #3	1PDP	TX	DAWSON	ACKERLY	39.020	17.445	7.895	3.530	0.277106	0.202324	586.221	443.575
35061	ARLISS BARR 12-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	843.408	0.000	679.144	0.996863	0.805237	833.139	442.246
1470	RENFRO 11 7	1PDP	TX	IRION	SUGG RANCH	11.800	20.144	8.756	14.948	0.970000	0.742050	586.490	441.387
1168	MCGILL 12-1	1PDP	TX	IRION	SUGG RANCH	0.367	124.641	0.270	91.675	0.925163	0.735518	827.932	440.862
35254	LEONARD 20-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	875.890	0.000	670.214	0.965486	0.765181	760.094	435.529
1973	CLARK 10A-1	1PDP	TX	IRION	SUGG RANCH	16.282	9.271	12.372	7.044	0.970000	0.759833	662.963	429.707
35156	STEWART HARRISON 25-1	1PDP	LA	JACKSON	VERNON	0.000	1,038.709	0.000	660.417	0.953332	0.732945	829.845	428.623
35179	EWING 12-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	848.950	0.000	677.838	1.000000	0.798443	802.128	428.020
35103	DAVIS BROS 12B-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,593.550	0.000	638.607	0.522804	0.400745	918.405	426.736
35337	JACLIN CORP 2-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,006.499	0.000	705.110	0.920711	0.700557	838.907	426.531
35331	LEWIS 15-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	957.415	0.000	677.774	0.913412	0.707921	841.090	426.198
35110	ROBERTA HINTON ET AL 12-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	672.846	0.000	530.659	1.000000	0.788679	667.612	426.132
1911	MB NOELKE 2-2	1PDP	TX	IRION	SUGG RANCH	0.599	120.292	0.436	87.512	0.970000	0.727500	775.454	425.661
2050	SUGG 9A-8	1PDP	TX	IRION	SUGG RANCH	13.243	14.274	9.634	10.385	0.970000	0.727500	594.447	425.504
2958	PROBANDT 56-1	1PDP	TX	TOM GREEN	SUGG RANCH	3.808	79.502	2.955	61.694	0.970000	0.776000	691.258	424.964
1469	RENFRO 11 3	1PDP	TX	IRION	SUGG RANCH	11.342	27.248	8.416	20.219	0.970000	0.742050	589.040	423.182
35351	LAUKHUF ET AL 3-1	1PDP	LA	JACKSON	VERNON	0.000	885.273	0.000	675.772	0.969186	0.763349	844.664	423.063
35105	DAVIS BROS 26-1	1PDP	LA	JACKSON	VERNON	0.000	865.026	0.000	690.378	1.000000	0.798101	810.516	420.675
1289	SUGG 1-4	1PDP	TX	IRION	SUGG RANCH	3.847	99.337	2.798	72.267	0.970000	0.727500	743.626	420.568
35400	WEYERHAEUSER 11A-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	960.076	0.000	720.057	1.000000	0.750000	799.543	419.877
38046	GRIFFIN RANCH GU #6-04	1PDP	TX	GREGG	DANVILLE	0.000	3,841.708	0.000	1,475.097	0.497418	0.383969	836.924	414.712
35998	DAVIS BROS J-15 ALT	1PDP	LA	JACKSON	VERNON	0.000	725.743	0.000	547.647	0.980859	0.754601	635.785	412.385
35153	DAVIS BROS 30-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	922.289	0.000	693.732	0.988084	0.752185	751.083	411.686
35302	WILLAMETTE 1-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	907.455	0.000	680.591	1.000000	0.750000	805.994	407.102
35157	WEYERHAEUSER 25-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	954.393	0.000	674.111	0.926710	0.706324	806.867	406.988
40380	MAYS, A 17-1	1PDP	LA	CADDO	GREENWOOD-WASK	12.413	740.641	4.362	260.263	0.427797	0.351403	659.926	404.740
35336	DAVIS BROS 6A-1	1PDP	LA	JACKSON	VERNON	0.000	1,345.562	0.000	585.251	0.563269	0.434949	845.161	400.181
1235	SUGG FARMAR 25-1,2,3,5,6,7	1PDP	TX	IRION	SUGG RANCH	9.566	109.373	6.959	79.569	0.970000	0.727500	518.947	399.421
1651	SUGG 3-6	1PDP	TX	IRION	SUGG RANCH	2.066	87.466	1.503	63.631	0.970000	0.727500	623.083	395.582

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35818	DAVIS BROS 32-1	1PDP	LA	JACKSON	VERNON	0.000	937.637	0.000	703.228	1.000000	0.750000	726.595	392.155
35131	DAVIS BROS 17A-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	923.604	0.000	617.151	0.890539	0.668198	750.525	389.567
1238	SUGG FARMAR 38A-2	1PDP	TX	IRION	SUGG RANCH	0.561	107.916	0.408	78.509	0.970000	0.727500	684.245	388.017
35099	LA MINERALS 8-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	843.640	0.000	666.902	1.000000	0.790605	755.771	387.714
35333	SMITH 9-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	806.524	0.000	619.146	0.979336	0.767672	719.860	387.138
35288	DAVIS BROS 13-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	874.493	0.000	650.596	0.998878	0.743970	741.927	385.493
35288	DAVIS BROS 28-8 ALT	1PDP	LA	JACKSON	VERNON	0.000	844.154	0.000	642.959	1.000000	0.761661	702.882	379.460
40092	ALLDAY, M2	1PDP	TX	HARRISON	WASKOM	36.542	121.479	13.703	45.555	0.500000	0.375000	703.814	378.111
35064	DAVIS BROS 13-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	717.005	0.000	533.655	0.999364	0.744284	625.227	377.296
40364	LAWSON-MORGAN 1	1PDP	TX	PANOLA	BETHANY	10.007	310.294	3.753	116.360	0.500000	0.375000	482.226	372.147
35391	STEWART HARRISON 20-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	980.146	0.000	591.725	0.830535	0.603711	712.087	371.627
43320	JOBE 7	1PDP	TX	HARRISON	WASKOM	38.095	3.678	14.476	1.398	0.500000	0.380000	677.775	370.385
35430	STEWART HARRISON 20-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,018.568	0.000	591.486	0.801858	0.582203	665.719	368.296
35327	BEASLEY 9-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	639.779	0.000	490.120	0.977797	0.766077	563.338	367.162
35253	DAVIS BROS 13-5 ALT	1PDP	LA	JACKSON	VERNON	0.000	846.103	0.000	629.475	0.998878	0.743970	656.275	366.750
35350	DAVIS BROS 21A-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	672.590	0.000	471.698	0.933168	0.701315	563.632	366.548
40298	JOBE 6	1PDP	TX	HARRISON	WASKOM	35.941	0.000	13.657	0.000	0.500000	0.380000	642.288	363.796
1691	SUGG 2-11	1PDP	TX	IRION	SUGG RANCH	5.472	63.218	3.981	45.991	0.970000	0.727500	582.914	363.060
35045	MCCONNELL ESTATE 14-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	797.735	0.000	585.357	0.969173	0.733774	656.667	362.544
35113	HODDE 22-2 ALT	1PDP	LA	JACKSON	VERNON	4.310	670.551	3.091	480.867	0.950000	0.717123	684.700	361.708
35274	DAVIS BROS 11-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,323.473	0.000	530.375	0.522804	0.400745	760.208	361.054
35209	FISHER 16-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	629.347	0.000	476.855	1.000000	0.757699	555.999	357.343
35332	DAVIS BROS J-14 ALT	1PDP	LA	JACKSON	VERNON	0.000	856.834	0.000	606.571	0.913412	0.707921	656.566	354.170
35258	DAKIN 21-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	849.726	0.000	609.358	0.950000	0.717123	637.950	353.530
35020	SIMONTON 16-1	1PDP	LA	JACKSON	VERNON	0.000	682.157	0.000	485.088	0.935714	0.711109	550.177	352.760
34874	SUGG 5-2	1PDP	TX	IRION	SUGG RANCH	0.547	102.474	0.398	74.550	0.970000	0.727500	631.711	352.371
41813	MORAN 27-1	1PDP	LA	DE SOTO	KINGSTON	0.000	1,178.685	0.000	568.715	0.475000	0.482500	738.623	351.878
1201	SNELL-ADAMS #1	1PDP	TX	DAWSON	ACKERLY	33.941	5.665	6.455	1.077	0.250000	0.190195	449.470	349.239
35130	BOWDEN 20-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	758.434	0.000	579.345	0.964176	0.763870	647.973	349.089

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40082	ABNEY,RK 2	1PDP	TX	HARRISON	WASKOM	39.216	0.000	12.869	0.000	0.437500	0.328147	621.010	345.573
35210	DAVIS HEIRS 12-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	843.405	0.000	563.069	0.895833	0.667614	640.724	344.789
35160	HOBSON 29-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	615.733	0.000	474.221	1.000000	0.770174	530.833	342.489
40536	RUDD 5	1PDP	TX	HARRISON	WASKOM	7.551	819.756	2.881	312.762	0.499028	0.381530	671.311	342.242
35409	DAVIS BROS 26A-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	767.610	0.000	591.130	1.000000	0.770092	616.914	341.370
40138	BRAZZELL 18-1	1PDP	LA	DE SOTO	KINGSTON	2.120	1,651.821	0.573	446.367	0.344712	0.270227	586.024	341.020
35013	DAKIN 21-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	872.680	0.000	625.819	0.950000	0.717123	651.506	340.255
35355	STEWART HARRISON 20-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	940.844	0.000	546.267	0.800290	0.580635	597.646	340.044
40385	MCELROY HRS 3	1PDP	TX	HARRISON	WOODLAWN	6.886	835.150	2.691	326.405	0.500000	0.390634	640.391	338.073
35215	DAVIS HEIRS 12-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	807.311	0.000	538.972	0.895833	0.667614	602.270	337.249
36272	DAVIS BROS 20A-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	850.302	0.000	597.374	0.942227	0.702543	615.510	336.588
35182	DAVIS BROS E-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	747.440	0.000	548.452	0.969173	0.733774	586.997	334.013
35335	MULLEN ET AL 17-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	734.845	0.000	589.891	1.000000	0.802743	636.657	331.472
40553	SANDERS A 2	1PDP	TX	HARRISON	WASKOM	28.087	145.340	10.533	54.502	0.500000	0.375000	663.773	329.768
1972	SUGG 9A-11	1PDP	TX	IRION	SUGG RANCH	10.597	10.145	7.709	7.380	0.970000	0.727500	441.914	327.091
2852	HAMIL D	1PDP	TX	DAWSON	ACKERLY	34.452	6.505	10.113	1.909	0.387161	0.293542	610.248	326.586
1251	WARNER GAS UNIT #1	1PDP	TX	HOUSTON	GRAPELAND (RODES	0.000	1,985.573	0.000	297.606	0.149884	0.149884	636.257	324.510
35348	DAVIS BROS Q-8 ALT	1PDP	LA	JACKSON	VERNON	0.000	842.696	0.000	562.596	0.895833	0.667614	622.156	324.505
1694	SUGG 1-8	1PDP	TX	IRION	SUGG RANCH	7.394	50.802	5.379	36.959	0.970000	0.727500	549.178	323.393
38000	MARTHA BARTON #05	1PDP	TX	GREGG	DANVILLE	33.272	95.330	7.807	22.370	0.376869	0.234526	509.769	322.856
35186	WILLAMETTE 11-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	574.439	0.000	458.657	1.000000	0.798443	481.078	320.806
35349	MCCONNELL ESTATE 14-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	523.432	0.000	396.604	1.000000	0.757699	484.412	320.418
35823	HODDE 28-5 ALT	1PDP	LA	JACKSON	VERNON	0.000	725.538	0.000	552.614	1.000000	0.761661	565.451	320.007
40276	HALL HEIRS 16-1	1PDP	LA	CADDO	GREENWOOD-WASK	39.470	0.000	10.856	0.000	0.350318	0.275054	632.558	318.445
35076	DAVIS BROS J-8 ALT	1PDP	LA	JACKSON	VERNON	0.000	765.703	0.000	522.277	0.880703	0.682088	556.939	317.682
41344	CLINKRAFT 5-5	1PDP	LA	DE SOTO	KINGSTON	6.797	1,155.876	2.347	399.079	0.431000	0.345261	598.581	316.900
1477	SUGG 7-5	1PDP	TX	IRION	SUGG RANCH	2.122	48.514	1.544	35.294	0.970000	0.727500	417.845	315.756
2024	SUGG 53A-1	1PDP	TX	TOM GREEN	SUGG RANCH	4.241	69.196	3.085	50.340	0.970000	0.727500	544.857	315.546
35212	DAVIS BROS Q-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	796.871	0.000	532.003	0.895833	0.667614	584.915	314.048

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
38036	GRIFFIN RANCH GU #3-02	1PDP	TX	GREGG	DANVILLE	23.857	40.451	9.120	15.464	0.499500	0.382290	533.216	311.673
35027	WEYERHAEUSER 11-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	772.786	0.000	515.923	0.896833	0.667614	552.856	306.452
35060	HEAD 22-1	1PDP	LA	JACKSON	VERNON	0.000	785.842	0.000	563.545	0.950000	0.717123	583.231	305.068
36266	RHODES 26-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	675.616	0.000	539.210	1.000000	0.798101	513.909	304.235
1239	SUGG FARMAR 40-1	1PDP	TX	IRION	SUGG RANCH	1.936	85.577	1.408	62.257	0.970000	0.727500	561.736	303.289
2910	SUGG FARMAR 41B-1,2,3	1PDP	TX	IRION	SUGG RANCH OBO	3.499	152.594	1.312	57.223	0.500000	0.375000	438.979	301.433
40637	RUDD 6	1PDP	TX	HARRISON	WASKOM	0.000	1,092.270	0.000	416.734	0.499028	0.381530	604.095	301.250
35282	WEYERHAEUSER 11A-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	722.308	0.000	541.731	1.000000	0.750000	545.858	300.647
35267	ARLISS BARR 19-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	679.198	0.000	546.915	0.996863	0.805237	533.540	298.941
35368	JACLIN CORP 25-1	1PDP	LA	JACKSON	KELLEYS	0.000	693.670	0.000	524.835	1.000000	0.756606	557.343	297.573
1557	SUGG 3-8	1PDP	TX	IRION	SUGG RANCH	1.821	69.601	1.325	50.635	0.970000	0.727500	463.247	297.532
35056	ALVIN BARR 12-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	633.590	0.000	499.699	1.000000	0.788679	503.030	296.063
35247	T K GIDDENS ET AL 12-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	650.076	0.000	525.504	1.000000	0.808374	545.602	295.824
1186	RENFRO (GSHLTL) 11 01	1PDP	TX	IRION	SUGG RANCH	2.088	67.589	1.550	50.140	0.970000	0.742050	464.802	294.408
35021	DAVIS BROS K-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	734.744	0.000	514.858	0.932417	0.700731	534.343	294.063
40139	BRAZZELL 19-2	1PDP	LA	DE SOTO	KINGSTON	0.513	1,663.512	0.139	449.526	0.344712	0.270227	531.093	293.340
38014	GRIFFIN RANCH GU #1-01	1PDP	TX	GREGG	DANVILLE	21.732	491.447	8.292	187.522	0.500000	0.381571	502.817	290.260
35244	ARLISS BARR ET AL 13-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	598.104	0.000	481.615	0.996863	0.805237	481.688	289.214
1479	SUGG 54-4	1PDP	TX	TOM GREEN	SUGG RANCH	9.373	26.429	6.819	19.227	0.970000	0.727500	475.606	288.177
2908	SUGG FARMAR 27-2	1PDP	TX	IRION	SUGG RANCH OBO	19.054	26.602	7.145	9.976	0.500000	0.375000	496.061	287.824
35206	HODDE 21-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	583.009	0.000	408.533	0.932417	0.700731	440.090	287.271
35249	WALKER 16-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	702.684	0.000	502.220	0.940722	0.714717	520.775	281.743
38003	BELL OU #1-01	1PDP	TX	GREGG	DANVILLE	18.652	249.329	7.117	95.137	0.500000	0.381571	456.742	279.186
2026	CLARK 10B 2	1PDP	TX	IRION	SUGG RANCH	6.861	22.908	5.214	17.406	0.970000	0.759833	377.556	278.727
1290	SUGG 15-3	1PDP	TX	IRION	SUGG RANCH	0.960	84.834	0.698	61.717	0.970000	0.727500	500.284	278.673
1169	MCGILL 12-2	1PDP	TX	IRION	SUGG RANCH	0.196	85.118	0.144	62.606	0.925163	0.735518	489.435	278.106
2222	SUGG FARMAR 24A-7	1PDP	TX	IRION	SUGG RANCH	2.774	52.288	2.018	38.039	0.970000	0.727500	388.899	274.670
35867	DAVIS BROS 20A-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	590.903	0.000	415.135	0.942227	0.702543	406.701	274.587
35175	STURGIS-NIX 11-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	630.718	0.000	441.854	0.920710	0.700657	446.117	273.806

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
38992	WILSON DICKSON OU #1-03	1PDP	TX	GREGG	DANVILLE	20.792	291.814	8.005	112.348	0.500000	0.385000	466.609	272.423
35132	DAVIS BROS 11-1	1PDP	LA	JACKSON	VERNON	0.000	1,021.969	0.000	409.549	0.522804	0.400745	534.120	268.556
40334	JONESVILLE A 23	1PDP	TX	HARRISON	WASKOM	7.934	731.439	2.627	242.215	0.439984	0.331149	494.881	268.050
41100	JONESVILLE, N. B 15 CV	1PDP	TX	HARRISON	WASKOM	1.535	826.257	0.561	301.736	0.487500	0.305184	438.094	267.842
35270	CALAHAN ET AL 21-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	687.381	0.000	492.937	0.950000	0.717123	485.270	267.644
35320	ROBINSON 11-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	761.894	0.000	508.651	0.895833	0.667614	480.391	267.487
1225	SUGG 15-1	1PDP	TX	IRION	SUGG RANCH	0.528	53.559	0.384	38.964	0.970000	0.727500	362.469	267.072
35276	DAVIS BROS 8-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	610.306	0.000	481.687	1.000000	0.789254	465.794	266.235
35396	LEONARD 20-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	618.451	0.000	481.445	0.978776	0.778470	478.985	265.896
35044	WILSON 14-1	1PDP	LA	JACKSON	VERNON	0.000	670.594	0.000	498.902	0.998878	0.743970	472.482	263.379
1942	SUGG 5A 15	1PDP	TX	IRION	SUGG RANCH	4.121	27.067	2.968	19.691	0.970000	0.727500	318.713	262.290
1170	MCGILL 44-2-3	1PDP	TX	TOM GREEN	SUGG RANCH	9.336	29.706	7.245	23.051	0.970000	0.776000	435.782	261.290
1976	SUGG 9A 13	1PDP	TX	IRION	SUGG RANCH	8.490	7.461	6.176	5.428	0.970000	0.727500	329.183	259.656
1227	SUGG 2-5	1PDP	TX	IRION	SUGG RANCH	2.022	69.162	1.471	50.315	0.970000	0.727500	433.557	258.729
35319	DAVIS BROS J-13 ALT	1PDP	LA	JACKSON	VERNON	0.000	622.603	0.000	440.754	0.913412	0.707921	430.544	257.880
42464	ANDERSON 29-1	1PDP	LA	DE SOTO	HOLLY	0.000	1,278.066	0.000	526.651	0.497007	0.412069	477.310	256.665
40341	KENPAU 17-2	1PDP	LA	DE SOTO	KINGSTON	7.308	1,402.153	1.889	362.358	0.338537	0.258430	487.529	255.069
1144	KIDD #2A	1PDP	TX	DAWSON	ACKERLY	10.711	2.948	4.589	1.263	0.574360	0.428478	299.036	252.683
35074	DAVIS BROS 19-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	629.087	0.000	480.540	0.964176	0.763870	461.532	251.043
1420	SUGG 8-15	1PDP	TX	IRION	SUGG RANCH	5.910	25.646	4.300	18.658	0.970000	0.727500	340.592	250.780
40525	PRYOR 1	1PDP	TX	HARRISON	WASKOM	17.592	0.000	6.597	0.000	0.500000	0.375000	377.432	250.165
35144	FISHER 16-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	488.604	0.000	358.525	0.969173	0.733774	351.152	249.691
35266	DAVIS BROS 14C-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	637.892	0.000	475.178	0.969364	0.744919	431.778	247.039
43319	ABNEY,PK 5	1PDP	TX	HARRISON	WASKOM	18.749	82.136	6.152	26.953	0.437500	0.328147	341.748	242.528
38114	GRIFFIN RANCH GU #2-21	1PDP	TX	GREGG	DANVILLE	18.500	1,570.749	4.726	401.223	0.333334	0.255434	426.653	241.739
35208	HODDE 22-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	655.428	0.000	470.022	0.950000	0.717123	406.124	241.738
35112	DAVIS BROS 27-1	1PDP	LA	JACKSON	VERNON	0.000	647.142	0.000	491.445	1.000000	0.759408	437.602	239.634
1431	SUGG FARMAR 38-4	1PDP	TX	IRION	SUGG RANCH	0.325	69.624	0.236	50.651	0.970000	0.727500	377.538	237.509
1382	SUGG 7-6	1PDP	TX	IRION	SUGG RANCH	2.025	61.599	1.473	44.813	0.970000	0.727500	385.700	237.042

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES LD.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
1409	SUGG 2-9	1PDP	TX	IRION	SUGG RANCH	4.631	44.881	3.369	32.651	0.970000	0.727500	387.088	236.686
35062	DAVIS LUMBER 11-1	1PDP	LA	JACKSON	VERNON	0.000	454.683	0.000	317.670	0.918183	0.698662	315.178	236.511
40663	WINSTON 4	1PDP	TX	HARRISON	WASKOM	0.000	1,546.726	0.000	593.598	0.492021	0.383777	759.884	236.463
41389	MEANS 23-13	1PDP	LA	DE SOTO	HOLLY	0.000	1,086.514	0.000	430.300	0.500000	0.396037	459.004	234.680
35287	DAVIS BROS 28-9 ALT	1PDP	LA	JACKSON	VERNON	0.000	527.828	0.000	402.026	1.000000	0.761661	344.218	231.626
35243	LA MINERALS 18A-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	561.173	0.000	453.637	1.000000	0.808374	411.543	231.089
35017	EDWIN SOUR ET AL 7-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	441.066	0.000	348.665	1.000000	0.790505	332.957	230.622
35237	DAVIS BROS 8-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	432.050	0.000	341.538	1.000000	0.790505	320.064	230.400
40336	JONESVILLE A 25	1PDP	TX	HARRISON	WASKOM	20.910	13.185	6.923	4.365	0.439874	0.331067	386.332	230.172
35248	WEYERHAEUSER 11-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	624.126	0.000	416.675	0.895833	0.667614	372.516	226.508
35241	LA MINERALS 18-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	596.548	0.000	450.658	1.000000	0.755444	401.464	225.082
40552	SANDERS A 1	1PDP	TX	HARRISON	WASKOM	0.000	796.794	0.000	299.155	0.500000	0.375448	426.895	224.508
35049	LA MINERALS 7-2	1PDP	LA	JACKSON	VERNON	0.000	435.616	0.000	343.562	1.000000	0.789679	312.744	224.196
35204	DAVIS BROS 20-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	487.766	0.000	341.793	0.932417	0.700731	328.950	223.434
40896	SABINE UPLIFT 13-1	1PDP	LA	DE SOTO	CASPIANA	0.000	1,404.211	0.000	485.253	0.454385	0.345570	421.492	222.817
35024	WATSON 11-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	350.078	0.000	239.167	0.882162	0.683182	279.973	221.851
35018	DAVIS BROS 21-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	617.942	0.000	441.963	0.947428	0.715217	381.477	221.608
40231	FROST LUMBER CO 1T	1PDP	TX	HARRISON	WASKOM	0.000	700.585	0.000	280.883	0.500000	0.400927	370.651	216.512
40492	ODEN HEIRS 30-1	1PDP	LA	DE SOTO	HOLLY	0.000	1,074.876	0.000	404.308	0.500000	0.376144	411.645	216.145
35054	LA MINERALS 7-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	559.172	0.000	442.028	1.000000	0.790505	366.596	214.169
35888	STEWART HARRISON 20-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	575.773	0.000	334.772	0.801858	0.582203	315.036	211.001
35098	ROBERT CONE 12-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	501.283	0.000	400.230	1.000000	0.798443	332.316	210.931
35221	PATTERSON ESTATE 5-ALT	1PDP	LA	JACKSON	VERNON	0.000	524.002	0.000	401.562	0.977936	0.766337	339.150	210.720
35262	E W HARVEY 36-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	736.196	0.000	378.749	0.671935	0.523466	391.676	207.595
35165	RITCHIE 36-1	1PDP	LA	JACKSON	VERNON	0.000	559.969	0.000	293.120	0.671935	0.523466	311.387	206.849
2907	SUGG FARMAR 27-1	1PDP	TX	IRION	SUGG RANCH OBO	2.165	99.925	0.812	37.472	0.500000	0.375000	357.340	206.553
35051	DAVIS BROS 20-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	421.162	0.000	295.121	0.932417	0.700731	278.112	205.449
35028	CAUSEY 14-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	484.260	0.000	323.298	0.895833	0.667614	289.549	204.901
35252	DAVIS BROS 14C-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	551.261	0.000	410.294	0.968878	0.743970	333.037	204.113

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES LD.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35025	DAVIS BROS J-7 ALT	1PDP	LA	JACKSON	VERNON	0.000	469.373	0.000	320.667	0.882162	0.683182	284.758	203.085
40624	JOBE 9	1PDP	TX	HARRISON	WASKOM	19.535	0.000	6.514	0.000	0.455000	0.333463	334.649	201.687
35002	DAVIS BROS G-1	1PDP	LA	JACKSON	VERNON	0.000	383.011	0.000	272.363	0.935714	0.711109	278.847	201.667
35227	DAVIS BROS Q-6 ALT	1PDP	LA	JACKSON	VERNON	0.000	575.171	0.000	383.992	0.896833	0.667614	331.515	199.842
34884	RENFRO 11A-1	1PDP	TX	IRION	SUGG RANCH	6.877	5.859	5.003	4.262	0.970000	0.727500	250.811	197.434
41476	JOBE 12	1PDP	TX	HARRISON	WASKOM	0.000	772.917	0.000	293.708	0.500000	0.380000	356.704	196.645
1649	SUGG 3-10	1PDP	TX	IRION	SUGG RANCH	1.827	49.230	1.329	35.815	0.970000	0.727500	296.896	196.239
40461	JONESVILLE, N. B 14	1PDP	TX	HARRISON	WASKOM	9.559	414.381	3.343	144.827	0.466325	0.349743	336.822	195.600
40196	CURRIE 4	1PDP	TX	HARRISON	WASKOM	0.000	697.550	0.000	272.045	0.500000	0.390000	348.195	195.457
35364	STEWART HARRISON 26-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	528.018	0.000	406.623	1.000000	0.770092	319.591	195.200
40150	BROOME 18-1	1PDP	LA	CADDO	GREENWOOD-WASK	6.749	80.893	2.707	32.442	0.500000	0.401048	220.937	194.655
35117	DAVIS BROS 28-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	521.217	0.000	396.590	1.000000	0.761661	316.914	191.373
35046	DAVIS BROS Q-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	516.172	0.000	384.930	1.000000	0.745739	295.388	189.369
41109	ROBERTS 9-4	1PDP	LA	DE SOTO	KINGSTON	2.338	1,179.048	0.619	312.324	0.350512	0.264895	299.803	188.368
35228	ARLISS BARR 12-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	462.370	0.000	372.318	0.996863	0.805237	286.755	186.173
38020	GRIFFIN RANCH GU #1-09	1PDP	TX	GREGG	DANVILLE	16.128	931.564	6.154	355.458	0.500000	0.381571	329.636	185.943
1226	SUGG 19-1	1PDP	TX	IRION	SUGG RANCH	0.000	65.145	0.000	47.393	0.970000	0.727500	307.414	183.320
35874	STEWART HARRISON 20-5 ALT	1PDP	LA	JACKSON	VERNON	0.000	603.960	0.000	353.505	0.805843	0.585282	298.771	183.285
42498	MORAN 27-3	1PDP	LA	DE SOTO	KINGSTON	0.000	734.860	0.000	238.829	0.250000	0.325000	367.330	183.006
42512	MORAN 27-2	1PDP	LA	DE SOTO	HOLLY	0.000	1,802.786	0.000	901.393	0.500000	0.500000	828.505	179.902
35019	DAVIS BROS 22A-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	537.699	0.000	384.571	0.947428	0.715217	303.280	179.596
35109	ARLISS BARR ET AL 13-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	474.056	0.000	381.728	0.996863	0.805237	296.228	179.144
35151	DAVIS BROS 10A-1	1PDP	LA	JACKSON	VERNON	0.000	1,261.016	0.000	268.361	0.273490	0.212813	354.848	175.813
40352	KNIGHTON 9	1PDP	TX	HARRISON	WASKOM	7.873	407.714	2.728	141.273	0.495000	0.346500	295.420	175.690
42722	BARNETT 24-8	1PDP	LA	DE SOTO	HOLLY	0.000	815.831	0.000	315.498	0.479625	0.386720	316.203	174.847
41175	JONESVILLE A-29	1PDP	TX	HARRISON	WASKOM	0.000	730.166	0.000	268.561	0.488862	0.367808	308.935	174.222
35296	THURMON 10-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	465.041	0.000	356.405	0.978058	0.766394	266.345	173.948
35148	DAKIN 21-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	498.209	0.000	356.327	0.947428	0.715217	261.505	173.576
35306	WEYERHAEUSER 8-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	370.499	0.000	292.881	1.000000	0.790505	242.959	173.051

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.



HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES LD.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
42881	MEANS 23-12	1PDP	LA	DE SOTO	HOLLY	2.563	772.455	1.015	305.921	0.500000	0.396037	277.610	172.506
41091	MEANS 23-11	1PDP	LA	DE SOTO	HOLLY	0.000	886.353	0.000	351.029	0.500000	0.396037	313.801	171.998
40356	KNIGHTON C 10	1PDP	TX	HARRISON	WASKOM	5.776	460.874	2.002	159.693	0.495000	0.348500	256.195	167.503
40566	SCOTT 17-3 ALT	1PDP	LA	DE SOTO	KINGSTON	5.144	883.668	1.364	234.376	0.347606	0.205231	257.769	167.463
35183	T K GIDDENS ET AL 12-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	346.687	0.000	279.165	0.996883	0.805237	232.090	166.408
35344	OSBORNE 19-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,399.163	0.000	243.740	0.227941	0.174204	326.013	165.608
35238	WEYERHAEUSER 8A-1	1PDP	LA	JACKSON	VERNON	0.000	711.537	0.000	306.640	0.562076	0.430954	305.135	165.515
1216	SUGG 3-2	1PDP	TX	IRION	SUGG RANCH	1.514	38.747	1.102	28.189	0.970000	0.727500	231.305	163.893
35322	DAVIS BROS G-6 ALT	1PDP	LA	JACKSON	VERNON	0.000	385.708	0.000	276.666	1.000000	0.756522	226.053	163.712
40502	ODEN HEIRS 31-5	1PDP	LA	DE SOTO	HOLLY	0.000	1,010.868	0.000	357.657	0.479128	0.353812	288.410	163.692
38044	GRIFFIN RANCH GU #5-04	1PDP	TX	GREGG	DANVILLE	7.821	316.601	2.984	120.806	0.500000	0.381571	200.786	161.150
1240	SUGG FARMAR 40-2	1PDP	TX	IRION	SUGG RANCH	1.010	49.564	0.735	36.058	0.970000	0.727500	252.476	160.537
40269	GRAY HEIRS 30-5	1PDP	LA	CADDO	GREENWOOD-WASK	0.000	710.610	0.000	277.151	0.495000	0.390019	293.992	158.570
35026	DAVIS BROS J-5 ALT	1PDP	LA	JACKSON	VERNON	0.000	248.617	0.000	176.001	0.913412	0.707921	188.945	156.995
40590	SMITH 23-1 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	889.439	0.000	352.251	0.500000	0.396037	289.775	156.100
42052	STUCK 32-1	1PDP	LA	DE SOTO	CASPIANA	2.141	885.619	0.712	288.024	0.431000	0.332737	253.839	155.989
35281	WEYERHAEUSER 10-1	1PDP	LA	JACKSON	VERNON	0.000	479.044	0.000	362.102	1.000000	0.755883	248.020	155.019
42107	THIGPEN 14-3	1PDP	LA	DE SOTO	KINGSTON	1.959	772.515	0.597	235.276	0.388638	0.304558	257.525	154.809
40431	MILLS 21-1	1PDP	LA	CADDO	LONGWOOD	0.000	738.120	0.000	241.486	0.402285	0.327164	247.319	154.703
41041	BROUILLETTE 14-1	1PDP	LA	DE SOTO	HOLLY	2.338	734.237	0.845	265.493	0.469683	0.361590	260.142	153.919
41250	PASKER WARE 14-1	1PDP	LA	DE SOTO	KINGSTON	2.462	815.897	0.750	248.488	0.388638	0.304558	272.502	153.633
40343	KILLIAN 18-2	1PDP	LA	DE SOTO	KINGSTON	0.000	1,084.907	0.000	283.447	0.332763	0.261264	302.792	153.382
35163	STEWART HARRISON 25-6 ALT	1PDP	LA	JACKSON	VERNON	0.000	380.210	0.000	254.425	0.926710	0.706324	207.686	153.062
35129	DAVIS BROS 12B-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	676.810	0.000	271.228	0.522804	0.400745	271.602	152.968
35118	DAVIS BROS 28-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	457.753	0.000	348.652	1.000000	0.761661	221.820	152.513
1027	CARTER 1909-1	1PDP	TX	IRION	SUGG RANCH	6.644	7.095	4.833	5.162	0.970000	0.727500	214.881	149.938
40644	WATERMAN 5	1PDP	TX	HARRISON	BETHANY	14.064	8.408	5.768	3.449	0.500000	0.410156	246.562	149.807
35358	MACK 19-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	1,350.821	0.000	235.318	0.227941	0.174204	307.037	149.058
35119	DAVIS BROS 28-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	466.503	0.000	355.317	1.000000	0.761661	229.217	148.751

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES LD.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40604	STEELE 6	1PDP	TX	HARRISON	WASKOM	11.884	0.000	4.540	0.000	0.489744	0.382000	219.253	148.666
42460	WHITE 29-1	1PDP	LA	DE SOTO	HOLLY	0.775	737.860	0.319	304.099	0.497007	0.412069	241.108	148.397
35361	WEYERHAEUSER 10-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	473.077	0.000	357.591	1.000000	0.755883	235.383	148.160
40277	HAMILTON W P 1	1PDP	TX	HARRISON	BETHANY	1.123	719.045	0.404	258.856	0.450000	0.390000	320.752	147.965
40613	THOMAS 19-1	1PDP	LA	DE SOTO	HOLLY	0.773	788.829	0.208	211.884	0.358142	0.268606	217.107	147.852
35004	DAVIS BROS K-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	315.229	0.000	235.456	0.959311	0.746936	197.072	146.964
35405	HODDE 22-5 ALT	1PDP	LA	JACKSON	VERNON	0.000	487.527	0.000	349.617	0.950000	0.717123	240.378	146.579
40412	MEANS, RT 23-2	1PDP	LA	DE SOTO	HOLLY	0.000	810.500	0.000	320.968	0.500000	0.396037	257.235	146.077
35047	DAVIS HEIRS 12-1	1PDP	LA	JACKSON	VERNON	0.000	510.636	0.000	340.908	0.895833	0.667614	236.956	146.064
38076	MURPHY GU #1-01	1PDP	TX	GREGG	DANVILLE	15.045	286.103	5.741	109.169	0.500000	0.381571	254.760	145.855
35166	STEWART HARRISON 35-1	1PDP	LA	JACKSON	VERNON	0.000	399.527	0.000	246.658	0.799337	0.617374	206.516	145.335
35311	DAKIN 21-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	505.441	0.000	362.463	0.950000	0.717123	230.807	144.448
35269	DAVIS BROS 13-6 ALT	1PDP	LA	JACKSON	VERNON	0.000	447.766	0.000	333.164	0.999364	0.744284	214.715	144.274
40237	FULLER, B 24-1	1PDP	LA	DE SOTO	HOLLY	0.940	411.343	0.366	160.119	0.479625	0.389259	182.264	143.406
38058	GRIFFIN RANCH GU #7-05	1PDP	TX	GREGG	DANVILLE	6.263	567.690	2.430	220.301	0.500000	0.388066	214.400	143.309
35259	DAKIN 21-5 ALT	1PDP	LA	JACKSON	VERNON	2.023	352.649	1.451	252.892	0.950000	0.717123	199.384	143.280
41271	SAMMO PARTNERSHIP 18-4	1PDP	LA	DE SOTO	CASPIANA	0.000	771.279	0.000	294.335	0.500000	0.381619	254.353	142.496
40476	NARRAMORE 7	1PDP	TX	HARRISON	WASKOM	0.296	530.849	0.111	199.804	0.495362	0.376387	239.687	142.396
41071	BARNETT 24-9	1PDP	LA	DE SOTO	HOLLY	0.000	733.093	0.000	293.502	0.479625	0.386720	250.130	142.223
41611	WEST 9-1 (R)	1PDP	LA	DE SOTO	KINGSTON	3.881	904.070	0.975	239.484	0.350512	0.264895	230.284	141.032
35042	HODDE 21-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	507.281	0.000	367.719	0.967500	0.724882	230.005	139.115
40602	STEELE 4	1PDP	TX	HARRISON	WASKOM	2.995	299.484	1.133	113.295	0.485000	0.378300	214.793	138.973
40607	STRENGTH 1	1PDP	TX	HARRISON	WASKOM	4.275	178.142	1.651	68.807	0.500000	0.386250	183.751	138.941
40577	SHELburn 1	1PDP	TX	HARRISON	LONGWOOD	0.401	445.650	0.161	178.868	0.500000	0.401364	216.482	138.844
35360	ROBERT CONE ET AL 1-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	453.315	0.000	361.946	1.000000	0.798443	220.357	138.739
35216	CONTINENTAL 23-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	475.153	0.000	363.625	1.000000	0.765280	226.071	138.034
40300	JOBE 10	1PDP	TX	HARRISON	WASKOM	0.000	566.844	0.000	215.401	0.500000	0.380000	229.480	137.900
40603	STEELE 5	1PDP	TX	HARRISON	WASKOM	11.925	75.915	4.509	28.705	0.484772	0.378122	229.388	137.639
41068	MEANS, RT 23-4	1PDP	LA	DE SOTO	HOLLY	1.619	680.912	0.641	269.666	0.500000	0.396037	209.007	135.336

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES LD.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
1909	MB NOELKE 2-8	1PDP	TX	IRION	SUGG RANCH	3.068	11.026	2.232	8.022	0.970000	0.727500	158.529	135.298
38011	GINN HEIRS GU #1-04	1PDP	TX	GREGG	DANVILLE	12.968	199.291	4.954	76.727	0.500000	0.385000	226.928	135.024
35073	BARR 12A-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	403.618	0.000	269.461	0.895833	0.667614	185.946	134.242
40274	GUY 5-2	1PDP	LA	DE SOTO	CASPIANA	0.000	931.239	0.000	356.617	0.500000	0.382949	235.383	133.836
42891	SCOTT 19-8	1PDP	LA	DE SOTO	HOLLY	0.000	977.016	0.000	309.913	0.422970	0.317204	226.415	132.677
35392	DAVIS BROS 20A-1	1PDP	LA	JACKSON	VERNON	0.000	335.781	0.000	239.735	0.956280	0.713961	172.846	132.463
35876	BROOKS ET AL 28-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	371.319	0.000	212.887	0.753278	0.573326	180.550	130.312
38023	GRIFFIN RANCH GU #2-02	1PDP	TX	GREGG	DANVILLE	6.142	372.562	2.353	142.736	0.500000	0.383120	178.696	129.833
38065	GRIFFIN RANCH GU #7-09	1PDP	TX	GREGG	DANVILLE, EAST	6.936	37.961	2.647	14.492	0.500000	0.381571	156.043	129.548
41074	ALEXANDER 24-1	1PDP	LA	DE SOTO	HOLLY	1.808	666.006	0.704	259.290	0.479687	0.389321	230.671	129.175
40592	SMITH 24-1 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	743.383	0.000	289.368	0.479625	0.389259	228.779	129.060
40573	SEMPRA 2	1PDP	TX	PANOLA	CARTHAGE, N.	0.000	467.616	0.000	181.201	0.500000	0.387500	220.827	128.981
40140	BRAZZELL 18-3	1PDP	LA	DE SOTO	KINGSTON	3.131	744.449	0.818	194.498	0.332763	0.261264	198.355	128.419
40242	FULLER, HL 24-1	1PDP	LA	DE SOTO	HOLLY	1.339	605.997	0.521	235.890	0.479625	0.389259	208.907	125.771
40256	FURRH OIL UNIT 1	1PDP	TX	HARRISON	WASKOM	7.771	21.609	2.914	8.103	0.500000	0.375000	161.476	125.064
41007	DONNER PROP 33-1	1PDP	LA	DE SOTO	HOLLY	0.540	1,252.629	0.118	272.799	0.269326	0.217781	238.016	124.699
41252	THIGPEN 14-1	1PDP	LA	DE SOTO	KINGSTON	0.000	981.491	0.000	298.921	0.388636	0.304558	225.547	124.184
41413	NARRAMORE 12	1PDP	TX	HARRISON	WASKOM	0.000	503.586	0.000	190.264	0.497306	0.377819	194.394	123.777
40687	WRAY 35-2 ALT	1PDP	LA	CADDO	HENDERSON	6.364	142.577	2.323	52.040	0.500000	0.385000	155.168	123.376
42446	CLINKRAFT 5-8	1PDP	LA	DE SOTO	HOLLY	1.033	775.077	0.356	267.604	0.431000	0.345261	189.179	123.131
35102	HODDE ET AL 7-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	287.694	0.000	227.424	1.000000	0.790505	158.606	123.096
40480	NARRAMORE 11	1PDP	TX	HARRISON	WASKOM	7.939	29.678	2.988	11.170	0.495347	0.376376	162.147	122.915
40878	WALDRON 7-4	1PDP	LA	DE SOTO	CASPIANA	0.000	715.965	0.000	256.623	0.468748	0.358429	205.247	122.816
38008	GINN HEIRS GU #1-01	1PDP	TX	GREGG	DANVILLE	8.011	60.644	3.084	23.348	0.500000	0.385000	164.238	122.653
42465	CATHEY 29-4	1PDP	LA	DE SOTO	HOLLY	0.836	878.039	0.242	254.442	0.374723	0.289785	210.123	122.315
35412	DAVIS BROS 18-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	348.865	0.000	279.892	1.000000	0.800000	161.728	122.278
40120	BELL HEIRS 5-3	1PDP	LA	CADDO	GREENWOOD-WASK	12.918	0.000	4.957	0.000	0.490000	0.383686	190.752	121.876
40572	SEMPRA 1	1PDP	TX	PANOLA	CARTHAGE, N.	0.000	466.193	0.000	180.650	0.500000	0.387500	205.276	121.835
40395	MEANS 23-7 ALT	1PDP	LA	DE SOTO	HOLLY	1.465	534.721	0.580	211.769	0.500000	0.396037	181.014	121.720

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
38010	GINN HEIRS GU #1-03	1PDP	TX	GREGG	DANVILLE	5.538	102.237	2.132	39.361	0.500000	0.385000	139.254	121.594
40477	NARRAMORE 8	1PDP	TX	HARRISON	WASKOM	5.156	57.183	1.859	20.618	0.471761	0.360561	141.975	121.430
42552	FARRIS 24-2	1PDP	LA	DE SOTO	HOLLY	0.000	678.190	0.000	262.311	0.479687	0.386782	204.744	121.277
35178	LA MINERALS 12A-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	396.488	0.000	312.702	1.000000	0.788679	178.457	120.722
42483	LARKIN 29-1	1PDP	LA	DE SOTO	HOLLY	0.000	895.706	0.000	259.562	0.374723	0.289785	198.185	120.549
40335	JONESVILLE A 24	1PDP	TX	HARRISON	WASKOM	2.689	455.649	0.930	157.573	0.459546	0.345821	195.860	120.210
35069	MCNABB ET AL 8-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	344.217	0.000	272.105	1.000000	0.790505	163.317	119.721
35107	ARLISS BARR ET AL 13-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	377.484	0.000	303.964	0.996863	0.805237	173.067	119.405
2956	PROBANDT 55-1	1PDP	TX	TOM GREEN	SUGG RANCH	3.057	13.421	2.372	10.415	0.970000	0.776000	151.453	118.642
35032	DAVIS BROS E-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	212.243	0.000	160.048	1.000000	0.754077	141.787	117.578
35138	HODDE 22-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	440.691	0.000	316.030	0.950000	0.717123	174.957	117.244
35340	WEYERHAEUSER 9-1	1PDP	LA	JACKSON	VERNON	0.000	1,440.524	0.000	178.431	0.157298	0.123865	251.087	116.540
1991	SUGG 1907-1	1PDP	TX	IRICON	SUGG RANCH	5.071	9.208	3.689	6.699	0.970000	0.727500	159.685	116.475
2931	PNR HARRIS HEIRS 88-1	1PDP	TX	STERLING	HARRIS RANCH	10.381	0.000	4.017	0.000	0.500000	0.386979	173.648	116.277
40293	JOBE 1	1PDP	TX	HARRISON	WASKOM	0.000	443.482	0.000	168.523	0.500000	0.380000	178.073	116.150
40108	BARNETT 24-7	1PDP	LA	DE SOTO	HOLLY	0.000	680.894	0.000	265.044	0.479625	0.389259	206.295	116.032
40279	HEARNE 32-1 ALT	1PDP	LA	CADDO	GREENWOOD-WASK	5.229	139.160	2.044	54.408	0.500000	0.390979	149.793	115.916
41168	JONESVILLE 28	1PDP	TX	HARRISON	WASKOM	0.000	454.634	0.000	166.161	0.488489	0.365483	173.448	114.982
35223	WEYERHAEUSER 11A-1	1PDP	LA	JACKSON	VERNON	0.000	413.240	0.000	309.930	1.000000	0.750000	170.359	113.580
35211	OXFORD 16-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	274.193	0.000	207.433	1.000000	0.756522	146.898	113.221
1553	SNELL 36-6	1PDP	TX	DAWSON	ACKERLY	8.464	0.233	2.222	0.061	0.350000	0.262500	131.770	112.740
35154	BROWN ET AL 25-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	304.193	0.000	222.957	0.953332	0.732945	145.325	112.667
38062	GRIFFIN RANCH GU #8-01	1PDP	TX	GREGG	DANVILLE	0.000	830.713	0.000	366.166	0.500000	0.440786	150.233	112.568
42504	MORAN 27-4	1PDP	LA	DE SOTO	HOLLY	0.000	361.884	0.000	180.942	0.500000	0.500000	162.614	110.663
40106	BARNETT 24-5	1PDP	LA	DE SOTO	HOLLY	0.631	704.228	0.245	274.127	0.479625	0.389259	187.596	109.329
40419	MHS-TMMN FURR 1	1PDP	TX	HARRISON	WASKOM	4.412	82.886	1.654	31.082	0.500000	0.375000	134.974	109.035
2918	SUGG 2-2	1PDP	TX	IRICON	SUGG RANCH	1.091	30.282	0.793	22.030	0.970000	0.727500	149.096	108.301
36552	KELLY LAND MGMT 13-1	1PDP	LA	JACKSON	KELLEYS	0.000	391.686	0.000	255.178	0.845457	0.651485	148.930	107.681
35226	CONTINENTAL 15-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	275.519	0.000	202.169	0.969173	0.733774	136.964	107.549

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES LD.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
38090	WILSON DICKSON OU #1-01	1PDP	TX	GREGG	PEATOWN	6.931	47.696	2.668	18.363	0.500000	0.385000	134.348	106.785
41073	ALEXANDER 24-2	1PDP	LA	DE SOTO	HOLLY	0.000	591.599	0.000	228.951	0.479687	0.386782	174.433	106.209
41009	DONNER PROP 33-2	1PDP	LA	DE SOTO	HOLLY	2.870	874.449	0.625	190.438	0.269326	0.217781	179.081	106.008
40471	NARRAMORE 2T	1PDP	TX	HARRISON	WASKOM	1.794	232.004	0.695	89.892	0.500000	0.387458	137.704	105.954
40330	JONESVILLE 16	1PDP	TX	HARRISON	WASKOM	1.605	426.599	0.585	155.407	0.485726	0.364294	174.437	105.817
41044	BROUILLETTE 14-2	1PDP	LA	DE SOTO	HOLLY	0.955	602.698	0.345	217.930	0.469683	0.361590	162.459	105.238
41491	BRAZZELL 8-3 (R)	1PDP	LA	DE SOTO	KINGSTON	1.953	655.710	0.647	217.056	0.437340	0.331025	164.070	104.797
35289	SIMONTON ETAL 12-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	530.049	0.000	212.415	0.522804	0.400745	172.300	104.641
40545	RUDD B 12	1PDP	TX	HARRISON	BETHANY, NE	13.826	0.000	5.401	0.000	0.498897	0.390649	174.572	104.279
40345	KILLIAN 18-4	1PDP	LA	DE SOTO	KINGSTON	6.042	613.749	1.579	160.350	0.332763	0.261264	175.653	104.049
42852	BRAZZELL 18-9	1PDP	LA	DE SOTO	HOLLY	0.972	714.715	0.265	195.197	0.344712	0.273112	171.380	103.986
40386	MCELROY HRS 4	1PDP	TX	HARRISON	WOODLAWN	1.271	323.865	0.496	126.307	0.500000	0.390000	146.208	103.076
41067	MEANS 23-15	1PDP	LA	DE SOTO	HOLLY	0.000	584.613	0.000	231.528	0.500000	0.396037	167.998	102.925
38056	GRIFFIN RANCH OU #7-03	1PDP	TX	GREGG	DANVILLE	4.931	46.747	1.882	17.837	0.500000	0.381571	116.962	101.146
40099	ATKINS 19-1	1PDP	LA	DE SOTO	HOLLY	0.000	926.048	0.000	236.360	0.338597	0.255235	177.772	100.694
40128	BOWLES 1	1PDP	TX	PANOLA	BETHANY	0.000	261.446	0.000	92.214	0.441406	0.352707	126.420	100.317
41343	OLINKRAFT 5-11	1PDP	LA	DE SOTO	HOLLY	0.775	631.068	0.268	217.883	0.431000	0.345261	154.944	99.843
40475	NARRAMORE 6	1PDP	TX	HARRISON	WASKOM	1.162	241.025	0.417	86.582	0.471761	0.359139	128.669	99.781
40623	TRAMMELL 5	1PDP	TX	HARRISON	WASKOM	0.000	501.206	0.000	169.411	0.469453	0.338006	160.160	99.631
2983	SUGG 13 2	1PDP	TX	IRION	SUGG RANCH	2.399	11.774	1.745	8.566	0.970000	0.727500	118.944	99.077
42445	OLINKRAFT 5-6	1PDP	LA	DE SOTO	HOLLY	0.661	602.194	0.228	207.914	0.431000	0.345261	141.153	99.039
41393	OLINKRAFT 5-12	1PDP	LA	DE SOTO	HOLLY	1.270	521.476	0.439	180.045	0.431000	0.345261	141.283	98.657
40591	SMITH 23-2 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	685.417	0.000	271.450	0.500000	0.396037	141.475	98.266
41117	TRAMMELL 6 CV	1PDP	TX	HARRISON	WASKOM	0.000	459.200	0.000	163.866	0.495625	0.356850	151.382	98.074
40393	MEANS 23-5	1PDP	LA	DE SOTO	HOLLY	0.000	640.405	0.000	253.624	0.500000	0.396037	166.199	97.167
40394	MEANS 23-6 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	763.090	0.000	302.212	0.500000	0.396037	162.807	97.090
40221	FLOURNOY 19-1	1PDP	LA	DE SOTO	HOLLY	1.859	846.434	0.499	227.357	0.358142	0.268606	169.247	97.030
42468	PETROHAWK 31-6	1PDP	LA	DE SOTO	HOLLY	4.434	939.831	0.800	169.568	0.243353	0.180424	165.021	96.722
40362	LATTIN 24-2 ALT (R)	1PDP	LA	DE SOTO	HOLLY	0.000	605.441	0.000	235.673	0.479625	0.389259	163.090	96.523

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
42848	KILLIAN 12-9	1PDP	LA	DE SOTO	HOLLY	2.885	588.388	0.788	160.696	0.344712	0.273112	160.785	96.451
40147	BRAZZELL 8-6	1PDP	LA	DE SOTO	KINGSTON	0.441	524.043	0.146	173.493	0.437340	0.331066	124.131	96.196
42117	MEANS 23-18	1PDP	LA	DE SOTO	HOLLY	2.848	584.445	1.128	231.462	0.500000	0.396037	156.660	96.176
41069	MEANS, RT 23-3	1PDP	LA	DE SOTO	HOLLY	0.000	551.182	0.000	218.288	0.500000	0.396037	158.932	96.017
35034	MCCONNELL 1	1PDP	LA	JACKSON	VERNON	0.000	382.870	0.000	293.003	1.000000	0.765280	143.807	95.346
1630	SUGG 69-2	1PDP	TX	IRION	SUGG RANCH	1.109	17.269	0.806	12.563	0.970000	0.727500	112.081	94.586
41233	GARRETT 12-1	1PDP	LA	DE SOTO	KINGSTON	0.000	762.943	0.000	252.092	0.440052	0.330420	145.766	94.480
41800	TIMBERSTAR 33-1	1PDP	LA	DE SOTO	CASPIANA	1.791	928.720	0.390	202.258	0.269326	0.217781	170.145	94.153
42883	BARNETT 24-11	1PDP	LA	DE SOTO	HOLLY	0.894	505.249	0.348	196.704	0.479687	0.389321	147.942	94.095
40533	ROBERTS 9-2	1PDP	LA	DE SOTO	KINGSTON	2.384	788.200	0.631	208.790	0.350512	0.264895	147.137	93.724
40397	MEANS 23-9 ALT	1PDP	LA	DE SOTO	HOLLY	1.222	522.594	0.484	206.967	0.500000	0.396037	151.744	93.632
35873	STEWART HARRISON 20A-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	265.550	0.000	186.560	0.942227	0.702543	122.357	93.548
38049	GRIFFIN RANCH GU #6-07	1PDP	TX	GREGG	DANVILLE	5.345	565.589	2.047	216.620	0.497320	0.382998	134.324	91.474
35202	MCCONNELL ESTATE 13-1	1PDP	LA	JACKSON	VERNON	0.000	257.346	0.000	191.554	0.999384	0.744345	114.257	90.745
40167	BURNETT 5	1PDP	TX	PANOLA	CARTHAGE, N.	3.009	402.768	0.679	90.937	0.294456	0.225779	149.518	90.051
35010	MCCONNELL ESTATE 14-1	1PDP	LA	JACKSON	VERNON	0.000	172.476	0.000	126.559	0.969173	0.733774	104.343	89.752
43161	JACKSON 33-1	1PDP	LA	DE SOTO	HOLLY	0.959	785.608	0.209	171.091	0.269326	0.217781	137.816	89.508
40314	JONESVILLE 2	1PDP	TX	HARRISON	WASKOM	4.535	29.585	1.451	9.467	0.426675	0.320006	100.741	89.459
40295	JOBE 3	1PDP	TX	HARRISON	WASKOM	0.000	414.938	0.000	157.676	0.500000	0.380000	142.162	88.725
35040	DAVIS BROS 3-1	1PDP	LA	JACKSON	VERNON	0.000	267.148	0.000	199.775	1.000000	0.747806	114.980	88.600
40979	GUY 5-5	1PDP	LA	DE SOTO	CASPIANA	0.000	688.504	0.000	256.003	0.500000	0.382949	142.360	88.236
35015	DAVIS BROS E-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	204.635	0.000	155.052	1.000000	0.757699	107.321	87.886
40337	JONESVILLE A 26	1PDP	TX	HARRISON	WASKOM	0.475	370.333	0.165	128.487	0.482187	0.346950	126.329	87.666
40224	FLOURNOY 20-2	1PDP	LA	DE SOTO	HOLLY	0.750	772.227	0.220	226.691	0.395000	0.293555	149.229	87.104
41113	SAMUELS 23-1	1PDP	LA	DE SOTO	KINGSTON	0.000	443.211	0.000	91.781	0.178836	0.207083	119.572	86.502
40177	CHADWICK 2	1PDP	TX	PANOLA	CARTHAGE, S.	1.258	327.831	0.235	61.325	0.238857	0.187063	105.557	85.594
42551	FARRIS 24-1	1PDP	LA	DE SOTO	HOLLY	0.000	507.149	0.000	196.125	0.479625	0.386720	127.551	84.900
40361	LATTIN 24-1 ALT	1PDP	LA	DE SOTO	HOLLY	0.806	508.756	0.314	198.038	0.479625	0.389259	137.695	84.570
40861	ATKINS 8-1	1PDP	LA	DE SOTO	KINGSTON	3.817	540.893	1.257	178.165	0.435631	0.329390	112.470	83.896

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES LD.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40398	MEANS 23-10 ALT	1PDP	LA	DE SOTO	HOLLY	0.845	490.936	0.335	194.429	0.500000	0.396037	131.978	83.678
40966	DONNER PROP 4-2	1PDP	LA	DE SOTO	KINGSTON	1.429	781.204	0.349	190.955	0.331700	0.244437	123.718	83.374
38167	GRIFFIN RANCH GU #8-4	1PDP	TX	GREGG	DANVILLE	0.000	707.937	0.000	312.049	0.500000	0.440786	104.976	83.132
43321	JONESVILLE 22	1PDP	TX	HARRISON	WASKOM	6.724	35.609	2.463	13.044	0.485691	0.396319	100.158	83.127
35339	WEYERHAEUSER 10-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	575.048	0.000	122.378	0.273490	0.212813	124.551	83.031
41176	NARRAMORE 13	1PDP	TX	HARRISON	WASKOM	0.285	305.090	0.107	114.155	0.492500	0.374168	112.587	82.426
40667	SCOTT 19-2	1PDP	LA	DE SOTO	HOLLY	0.000	733.635	0.000	224.536	0.404281	0.306059	133.036	82.315
41358	ANDERSON 10-1	1PDP	LA	DE SOTO	KINGSTON	0.024	1,534.834	0.003	215.521	0.187250	0.140420	155.584	82.190
40646	WEEKS, C	1PDP	TX	HARRISON	WASKOM	20.884	222.512	3.916	41.721	0.250000	0.187500	194.094	80.769
35167	STEWART HARRISON 34-1	1PDP	LA	JACKSON	VERNON	0.000	228.301	0.000	175.885	1.000000	0.770321	102.720	80.360
42833	SALLEY 12-1	1PDP	LA	DE SOTO	KINGSTON	0.000	601.195	0.000	198.647	0.440052	0.330420	108.506	80.337
41430	WHELESS 5-4	1PDP	LA	DE SOTO	CASPIANA	0.000	509.015	0.000	194.927	0.500000	0.382949	131.690	79.450
35128	DAVIS BROS 14B-1	1PDP	LA	JACKSON	VERNON	0.882	115.250	0.512	88.526	0.998512	0.750769	89.967	79.445
40280	HEC-LANKFORD 1	1PDP	TX	HARDEMAN	LOUDON	7.566	0.000	1.478	0.000	0.250000	0.195313	92.904	79.261
35325	MACK 19-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	794.875	0.000	138.470	0.227941	0.174204	138.760	79.213
50005	FINGERLE 25 H-2 CVHZ	1PDP	LA	DE SOTO	HOLLY	0.000	2,190.786	0.000	130.577	0.064534	0.059603	154.394	79.157
35218	ARLISS BARR 18-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	199.636	0.000	160.754	0.996863	0.805237	98.057	78.346
35014	DAVIS BROS 22-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	367.642	0.000	281.349	1.000000	0.765280	115.831	78.309
35143	DAVIS BROS 15A-1	1PDP	LA	JACKSON	VERNON	0.000	275.612	0.000	216.940	1.000000	0.787120	106.901	77.631
40428	MILLER 7-1	1PDP	LA	DE SOTO	KINGSTON	0.000	952.660	0.000	210.936	0.282440	0.221418	138.685	77.259
40132	BRAZZELL 8-7	1PDP	LA	DE SOTO	KINGSTON	1.674	542.601	0.554	179.637	0.437340	0.331066	113.281	76.943
40466	N SEMPRA 3	1PDP	TX	PANOLA	CARTHAGE, N.	0.000	337.087	0.000	130.621	0.500000	0.387500	114.472	76.739
41791	CATHEY 29-1	1PDP	LA	DE SOTO	CASPIANA	0.141	742.659	0.041	215.212	0.374723	0.289785	122.790	76.619
41324	BATES 21-1	1PDP	LA	DE SOTO	HOLLY	0.000	759.280	0.000	215.641	0.331415	0.284007	119.839	75.653
40144	BRAZZELL 18-7	1PDP	LA	DE SOTO	KINGSTON	0.000	725.696	0.000	196.103	0.344712	0.270227	119.754	73.887
40988	ATKINS 5-1	1PDP	LA	DE SOTO	HOLLY	0.000	581.396	0.000	200.733	0.431000	0.345261	113.722	73.557
38068	GRIFFIN RANCH OU #B-01	1PDP	TX	GREGG	DANVILLE	5.372	327.643	2.050	125.019	0.500000	0.381571	84.876	73.337
40564	SCOTT 17-1 ALT	1PDP	LA	DE SOTO	KINGSTON	0.000	705.844	0.000	187.212	0.347606	0.265231	127.038	73.320
38022	GRIFFIN RANCH GU #2-01	1PDP	TX	GREGG	DANVILLE	2.064	394.767	0.791	151.243	0.500000	0.383120	92.767	72.722

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES LD.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40136	BRAZZELL 17-3	1PDP	LA	DE SOTO	KINGSTON	0.000	614.698	0.000	163.037	0.347606	0.265231	124.275	72.471
41108	ROBERTS 9-3	1PDP	LA	DE SOTO	KINGSTON	2.631	869.838	0.697	230.416	0.350512	0.264896	106.458	70.960
2005	SUGG 19-2	1PDP	TX	IRION	SUGG RANCH	3.963	3.434	2.810	2.498	0.970000	0.727500	91.033	70.533
35067	HODDE 21-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	237.590	0.000	166.487	0.932417	0.700731	88.285	70.339
36401	DAVIS BROS 35-1	1PDP	LA	JACKSON	VERNON	0.000	3,105.807	0.000	69.930	0.031056	0.022516	129.955	69.756
41052	BRAZZELL 18-8	1PDP	LA	DE SOTO	KINGSTON	0.000	576.971	0.000	155.913	0.344712	0.270227	102.521	69.314
35104	LA MINERALS 25-1	1PDP	LA	JACKSON	VERNON	0.000	354.453	0.000	286.861	1.000000	0.809306	97.792	68.487
40600	STEELE 2	1PDP	TX	HARRISON	WASKOM	5.357	24.960	2.046	9.531	0.489744	0.382000	89.184	67.996
40459	JONESVILLE, N. A 12	1PDP	TX	HARRISON	WASKOM	0.466	317.179	0.163	110.978	0.486519	0.349890	97.266	67.400
40949	DILLARD 13 #1	1PDP	LA	DE SOTO	KINGSTON	0.000	560.913	0.000	193.835	0.454385	0.345570	102.532	67.069
40435	MITCHELL 1	1PDP	TX	HARRISON	WASKOM	0.929	232.355	0.373	93.158	0.500000	0.400928	96.073	66.927
40084	ABNEY,PK 4	1PDP	TX	HARRISON	WASKOM	0.982	177.708	0.322	58.314	0.437500	0.328147	80.119	64.745
40947	TENSAS DELTA 12-1	1PDP	LA	DE SOTO	KINGSTON	0.000	437.067	0.000	156.177	0.473570	0.357330	97.738	64.661
40945	SAMMO PARTNERSHIP 12-1	1PDP	LA	DE SOTO	KINGSTON	0.000	421.069	0.000	139.129	0.440052	0.330420	85.685	64.432
1474	SUGG 3-5	1PDP	TX	IRION	SUGG RANCH	1.495	15.584	1.088	11.337	0.970000	0.727500	82.527	64.423
42471	PETROHAWK 31-4	1PDP	LA	DE SOTO	HOLLY	0.300	929.162	0.055	170.686	0.243353	0.183677	98.919	64.380
40176	CHADWICK 1T	1PDP	TX	PANOLA	CARTHAGE	0.498	326.691	0.147	96.781	0.388572	0.296247	85.475	63.001
40087	ABNEY-O BANION 1	1PDP	TX	HARRISON	WASKOM	0.000	229.102	0.000	60.201	0.305625	0.282768	79.875	62.907
35356	DAVIS BROS 10A-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	471.455	0.000	100.332	0.273490	0.212813	90.279	62.470
42475	PETROHAWK 31-2	1PDP	LA	DE SOTO	HOLLY	0.961	719.529	0.177	132.161	0.243353	0.183677	105.056	62.290
40384	MCELROY HRS 2	1PDP	TX	HARRISON	WOODLAWN	0.253	283.920	0.099	110.729	0.500000	0.390000	87.994	61.431
40668	ABNEY BRYSON 7-1	1PDP	LA	CADDO	GREENWOOD-WASK	0.582	342.522	0.236	139.058	0.500000	0.405962	92.439	60.911
42469	PETROHAWK 31-5	1PDP	LA	DE SOTO	HOLLY	0.901	845.973	0.163	152.634	0.243353	0.180424	87.849	60.510
35116	DAVIS BROS 28-5 ALT	1PDP	LA	JACKSON	VERNON	0.000	281.406	0.000	214.336	1.000000	0.761661	80.825	60.306
40171	CARR 1	1PDP	TX	HARRISON	WASKOM	0.443	246.130	0.142	78.763	0.426675	0.320006	80.436	60.180
1708	SUGG FARMAR 38-6,7	1PDP	TX	IRION	SUGG RANCH	0.678	26.768	0.493	19.474	0.970000	0.727500	72.303	59.899
40989	OLINKRAFT 5-7	1PDP	LA	DE SOTO	HOLLY	1.551	399.793	0.535	138.033	0.431000	0.345261	87.279	59.143
40568	SCOTT 19-3 ALT	1PDP	LA	DE SOTO	HOLLY	0.111	711.779	0.030	191.188	0.358142	0.268606	95.733	58.523
42022	MORAN 26-1	1PDP	LA	DE SOTO	KINGSTON	0.000	237.356	0.000	112.752	0.476511	0.475033	78.360	58.511

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.



HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES LD.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40153	BROWN 6-3 ALT	1PDP	LA	CADDO	GREENWOOD-WASK	0.000	394.878	0.000	150.780	0.493420	0.381839	90.387	58.456
35326	ROBERT CONE ET AL 1-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	189.141	0.000	151.019	1.000000	0.798443	70.795	58.081
1453	NOELKE 14-1	1PDP	TX	IRION	SUGG RANCH	2.235	10.117	1.626	7.360	0.970000	0.727500	73.609	57.851
42084	WELLS, M W 5	1PDP	TX	PANOLA	BETHANY	0.000	1,064.804	0.000	96.068	0.103109	0.090221	113.584	57.800
38088	STARR DICKSON OU #1-6	1PDP	TX	GREGG	DANVILLE	3.903	47.438	1.510	18.353	0.500000	0.386885	68.539	57.758
35397	LEONARD 20-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	214.795	0.000	167.211	0.978776	0.778470	72.127	57.511
40937	NABORS 7-5	1PDP	LA	DE SOTO	CASPIANA	0.000	521.326	0.000	186.858	0.468748	0.358429	86.897	57.503
40665	SCOTT 17-2 ALT	1PDP	LA	DE SOTO	KINGSTON	0.801	405.188	0.213	107.468	0.347606	0.265231	75.156	57.405
40189	COLVIN 17-1	1PDP	LA	DE SOTO	KINGSTON	0.000	541.098	0.000	143.516	0.347606	0.265231	86.998	56.456
40173	FORT CARRIE UNIT 1	1PDP	TX	PANOLA	BETHANY	0.000	219.823	0.000	83.533	0.500000	0.380000	75.209	56.367
40578	SHELburn 2	1PDP	TX	HARRISON	WASKOM	1.811	150.912	0.718	59.799	0.500000	0.396250	74.939	56.013
38153	STARR DICKSON GU #1-14	1PDP	TX	GREGG	DANVILLE	3.551	564.322	1.360	216.199	0.500000	0.383113	69.723	56.405
40457	JONESVILLE, N. A 10	1PDP	TX	HARRISON	WASKOM	0.000	291.909	0.000	102.136	0.486519	0.349690	81.855	54.961
35318	DAVIS BROS 17C-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	141.233	0.000	105.925	1.000000	0.750000	62.661	54.525
38089	ROMA UTZMAN OU #1	1PDP	TX	GREGG	DANVILLE	5.733	75.554	2.148	28.309	0.497551	0.374683	74.017	54.281
40959	PETROHAWK 31-1	1PDP	LA	DE SOTO	CASPIANA	1.026	694.206	0.188	127.510	0.243353	0.183677	86.009	54.146
40301	JOBE 11	1PDP	TX	HARRISON	WASKOM	0.000	276.209	0.000	104.959	0.500000	0.380000	77.325	53.997
40547	RUDD D 15	1PDP	TX	HARRISON	BETHANY, NE	7.552	0.000	2.950	0.000	0.498962	0.390699	80.275	53.692
40152	BROWN 6-1 ALT	1PDP	LA	CADDO	GREENWOOD-WASK	0.000	348.086	0.000	111.638	0.406331	0.320719	77.498	53.349
40304	JOHNSON 8-1	1PDP	LA	DE SOTO	KINGSTON	0.000	541.502	0.000	179.273	0.437340	0.331066	80.895	53.110
41042	LATIN 14-1	1PDP	LA	DE SOTO	HOLLY	0.000	403.049	0.000	145.739	0.489683	0.361590	70.815	52.909
40081	ABNEY, PK 1	1PDP	TX	HARRISON	WASKOM	4.659	44.135	1.529	14.483	0.437500	0.328147	66.113	52.784
38082	STARR DICKSON GU #1-08	1PDP	TX	GREGG	DANVILLE	0.000	688.047	0.000	263.468	0.499750	0.382921	72.143	52.752
40097	ATKINS 9-1	1PDP	LA	DE SOTO	KINGSTON	0.000	605.763	0.000	160.375	0.350365	0.264748	72.639	52.107
41158	JONESVILLE, N. C 16	1PDP	TX	HARRISON	WASKOM	0.737	245.544	0.261	86.998	0.472400	0.354307	70.274	51.541
40142	BRAZZELL 18-5	1PDP	LA	DE SOTO	KINGSTON	0.000	527.967	0.000	137.944	0.332763	0.261264	83.333	50.949
42462	BELL 29-1	1PDP	LA	DE SOTO	HOLLY	0.000	573.512	0.000	166.195	0.374723	0.289785	74.355	50.734
38095	GRIFFIN RANCH GU #2-17	1PDP	TX	GREGG	DANVILLE	5.415	373.456	1.383	95.393	0.333334	0.255434	64.829	49.013
38053	GRIFFIN RANCH OU #6-11	1PDP	TX	GREGG	DANVILLE, EAST	4.392	7.198	1.691	2.771	0.499892	0.384995	58.969	48.934

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES LD.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40268	GRAY HEIRS 29-3	1PDP	LA	CADDO	GREENWOOD-WASK	0.000	254.432	0.000	99.374	0.490000	0.390574	64.305	48.914
40649	WELLS, M W 3	1PDP	TX	PANOLA	BETHANY	4.127	671.838	0.372	60.614	0.103109	0.090221	89.586	48.787
42893	THOMAS 19-3	1PDP	LA	DE SOTO	HOLLY	0.000	418.875	0.000	132.889	0.422970	0.317204	68.604	48.490
40124	BOGGERY GU 1	1PDP	TX	HARRISON	WASKOM	1.351	137.721	0.494	50.411	0.488049	0.366037	60.122	48.461
40326	JONESVILLE A 7	1PDP	TX	HARRISON	WASKOM	0.000	243.848	0.000	79.388	0.431706	0.325562	65.377	48.422
40932	TENSAS DELTA 6-1	1PDP	LA	DE SOTO	CASPIANA	0.000	986.140	0.000	122.970	0.181442	0.124698	81.729	48.268
40682	SL 18353 8-1	1PDP	LA	DE SOTO	KINGSTON	0.821	427.299	0.272	141.447	0.437340	0.331025	68.925	47.835
38001	MARTHA BARTON GU #1-01	1PDP	TX	GREGG	DANVILLE	3.443	242.953	1.307	92.236	0.497475	0.379645	68.704	47.727
40344	KILLIAN 18-3	1PDP	LA	DE SOTO	KINGSTON	0.000	536.968	0.000	140.290	0.332763	0.261264	76.806	47.560
38054	GRIFFIN RANCH GU #7-01	1PDP	TX	GREGG	DANVILLE	4.370	101.557	1.696	39.411	0.500000	0.388066	60.258	47.364
40199	CURRIE 7	1PDP	TX	HARRISON	WASKOM	0.128	149.379	0.060	58.258	0.500000	0.390000	56.507	47.144
35101	ERW CORP 8-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	212.082	0.000	167.652	1.000000	0.790505	61.025	47.089
40612	THIGPEN 24-1	1PDP	LA	DE SOTO	KINGSTON	0.782	511.657	0.192	125.429	0.312385	0.245142	68.656	46.808
40225	FLOURNOY 20-4	1PDP	LA	DE SOTO	HOLLY	1.431	469.833	0.406	133.274	0.377500	0.283662	70.243	46.586
40226	FLOURNOY 20-5	1PDP	LA	DE SOTO	HOLLY	0.945	228.890	0.325	78.751	0.464355	0.344056	52.329	45.835
40429	MILLS 19-1	1PDP	LA	CADDO	GREENWOOD-WASK	0.898	296.831	0.353	116.799	0.497374	0.393486	67.972	45.834
35422	LA MINERALS 25-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	194.247	0.000	157.205	1.000000	0.809306	56.452	45.697
40166	BURNETT 4	1PDP	TX	PANOLA	CARTHAGE, N.	1.779	323.396	0.402	73.016	0.387022	0.225779	66.715	45.575
40200	DEMENT 9-1	1PDP	LA	DE SOTO	KINGSTON	0.358	499.223	0.095	132.663	0.350512	0.265738	57.111	44.958
38050	GRIFFIN RANCH GU #6-08	1PDP	TX	GREGG	DANVILLE	2.732	383.746	1.052	147.741	0.499894	0.384997	55.223	44.309
35395	LA MINERALS 7-8 ALT	1PDP	LA	JACKSON	VERNON	0.000	217.659	0.000	171.663	1.000000	0.788679	56.046	44.255
40137	BRAZZELL 17-4	1PDP	LA	DE SOTO	KINGSTON	0.000	574.049	0.000	152.256	0.347606	0.295231	69.338	43.696
40495	ODEN HEIRS 30-3	1PDP	LA	DE SOTO	HOLLY	0.335	459.756	0.126	172.935	0.500000	0.376144	62.270	42.891
35181	MCCONNELL ESTATE 15-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	118.688	0.000	89.930	1.000000	0.757699	47.706	42.412
35251	DAVIS BROS 13-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	122.715	0.000	91.296	0.998878	0.743970	47.164	41.535
41237	LOWERY INV 12-1	1PDP	LA	DE SOTO	KINGSTON	0.000	419.966	0.000	138.765	0.440052	0.330420	56.170	41.534
40396	MEANS 23-8 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	354.664	0.000	140.460	0.500000	0.396037	57.651	41.436
35305	DAVIS BROS 12-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	636.856	0.000	60.537	0.126374	0.095056	63.215	41.134
41066	PL RANCH 22-3	1PDP	LA	DE SOTO	HOLLY	0.000	267.472	0.000	105.651	0.500000	0.395000	48.510	40.591

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
53460	WELLS, M W 4	1PDP	TX	PANOLA	BETHANY	5.540	420.751	0.500	37.961	0.103109	0.090221	69.668	40.431
40876	NABORS 7-3	1PDP	LA	DE SOTO	CASPIANA	0.000	346.626	0.000	124.241	0.468748	0.358429	51.562	40.384
40574	SEMPRA 3	1PDP	TX	PANOLA	CARTHAGE, N.	0.000	182.845	0.000	70.853	0.500000	0.387500	52.438	40.218
40893	THIGPEN 13-1	1PDP	LA	DE SOTO	KINGSTON	0.000	349.160	0.000	132.976	0.498480	0.380846	51.173	40.102
40340	KENPAU 17-1	1PDP	LA	DE SOTO	KINGSTON	0.643	252.686	0.211	82.847	0.430986	0.327864	50.186	40.059
40917	WARE 24-1	1PDP	LA	DE SOTO	KINGSTON	0.000	610.934	0.000	154.761	0.321530	0.253318	59.197	39.099
35308	DAVIS BROS J-11 ALT	1PDP	LA	JACKSON	VERNON	0.000	107.710	0.000	76.250	0.913412	0.707921	43.749	39.092
40527	PURE 7-1	1PDP	LA	DE SOTO	CASPIANA	0.000	293.167	0.000	98.209	0.437498	0.334992	46.967	39.003
40497	ODEN HEIRS 30-5	1PDP	LA	DE SOTO	HOLLY	0.000	388.400	0.000	138.571	0.500000	0.376144	50.839	38.947
41236	HOELL 12-1	1PDP	LA	DE SOTO	KINGSTON	0.000	343.335	0.000	124.941	0.473536	0.363904	50.380	38.942
40569	SCOTT 19-4 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	545.945	0.000	146.564	0.358142	0.268460	58.163	38.237
41024	CLINKRAFT 5-9	1PDP	LA	DE SOTO	HOLLY	1.025	201.200	0.354	69.466	0.431000	0.345261	46.090	37.882
41247	MEIER 14-1	1PDP	LA	DE SOTO	KINGSTON	1.010	186.395	0.307	56.768	0.388638	0.304558	45.632	37.574
40229	FONVILLE 2	1PDP	TX	PANOLA	BETHANY	0.000	146.259	0.000	55.534	0.500000	0.379695	48.059	37.192
40657	WHELESS 5-3	1PDP	LA	DE SOTO	CASPIANA	0.000	369.095	0.000	141.344	0.500000	0.382349	50.460	36.773
40243	FULLER, H. 24-2	1PDP	LA	DE SOTO	HOLLY	1.194	272.954	0.485	106.250	0.479625	0.389259	49.557	35.919
35011	DAVIS BROS J-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	117.840	0.000	80.377	0.880703	0.682088	40.994	35.880
40872	WILLIAMS 6-1	1PDP	LA	DE SOTO	CASPIANA	0.000	856.122	0.000	106.757	0.181442	0.124698	56.942	35.854
35341	SIMONTON 12-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	535.980	0.000	50.948	0.126374	0.095056	50.135	35.828
40192	CROCKER 7-1	1PDP	LA	DE SOTO	KINGSTON	0.000	527.588	0.000	120.439	0.292609	0.228282	54.770	35.195
35133	DAVIS BROS 12A-1	1PDP	LA	JACKSON	VERNON	0.000	303.566	0.000	123.930	0.539682	0.408246	48.668	34.237
40542	RUDD 14	1PDP	TX	HARRISON	WASKOM	2.063	58.771	0.827	23.562	0.498961	0.400907	42.627	34.164
40936	NABORS 7-4	1PDP	LA	DE SOTO	CASPIANA	0.000	283.574	0.000	101.641	0.468748	0.358429	41.643	33.944
35334	DAVIS BROS 15B-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	116.860	0.000	89.697	0.979164	0.767565	38.415	33.720
40346	KILLIAN 18-5	1PDP	LA	DE SOTO	KINGSTON	0.000	401.570	0.000	104.916	0.332763	0.261264	47.848	33.303
35200	DAVIS BROS 13-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	129.568	0.000	96.395	0.998878	0.743970	38.142	33.198
35315	LA MINERALS 10A-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	192.339	0.000	145.386	1.000000	0.755883	41.107	32.616
40098	ATKINS 15-1	1PDP	LA	DE SOTO	HOLLY	0.682	238.477	0.264	92.144	0.487129	0.386385	42.454	32.286
35137	DAVIS BROS 31-1	1PDP	LA	JACKSON	VERNON	0.000	166.441	0.000	124.831	1.000000	0.750000	38.664	32.214

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES LD.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
2982	SUGG 13-1	1PDP	TX	IRION	SUGG RANCH	0.750	7.122	0.546	5.181	0.970000	0.727500	36.209	32.121
41196	BLACKSTONE 7-1	1PDP	LA	DE SOTO	KINGSTON	0.300	479.189	0.069	109.391	0.292609	0.228283	41.705	31.330
41193	COLVIN 17-2 (R)	1PDP	LA	DE SOTO	KINGSTON	0.804	267.326	0.213	70.903	0.345824	0.265231	36.810	31.170
40464	N SEMPRA 1	1PDP	TX	PANOLA	CARTHAGE, N.	0.000	178.271	0.000	69.080	0.500000	0.387500	41.581	31.038
35063	HODDE ET AL 8-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	86.023	0.000	68.002	1.000000	0.790505	34.233	30.892
41428	TRAMMELL 7 CV	1PDP	TX	HARRISON	WASKOM	0.245	167.565	0.087	59.720	0.495000	0.356400	38.562	30.689
40965	DILLARD 17-3	1PDP	LA	DE SOTO	CASPIANA	0.000	326.132	0.000	115.785	0.461417	0.355026	40.094	30.451
35053	DAVIS BROS Q-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	97.702	0.000	65.227	0.895833	0.667614	33.796	30.360
40534	RUDD 1	1PDP	TX	HARRISON	WASKOM	1.078	107.847	0.441	44.095	0.499023	0.408889	39.603	30.218
40522	PL RANCH 22-1	1PDP	LA	DE SOTO	HOLLY	0.000	299.423	0.000	118.272	0.500000	0.395000	40.334	30.083
40418	MHS-JERNIGAN 1	1PDP	TX	PANOLA	BETHANY	0.000	149.268	0.000	55.335	0.492563	0.370711	37.289	29.901
42447	CLINKRAFT 5-10	1PDP	LA	DE SOTO	HOLLY	0.000	345.749	0.000	119.374	0.431000	0.345261	36.921	29.414
38034	GRIFFIN RANCH GU #2-14	1PDP	TX	GREGG	DANVILLE	3.410	127.419	0.871	32.547	0.333334	0.255434	34.846	29.287
40141	BRAZZELL 18-4	1PDP	LA	DE SOTO	KINGSTON	0.000	375.429	0.000	101.580	0.344712	0.270570	42.993	29.276
35084	LA MINERALS 33-1	1PDP	LA	JACKSON	VERNON	0.121	169.753	0.097	136.032	1.000000	0.801349	35.868	29.229
40938	PURE 7-3	1PDP	LA	DE SOTO	CASPIANA	0.000	247.652	0.000	88.796	0.468748	0.358429	35.304	29.151
40347	KILLIAN 18-6	1PDP	LA	DE SOTO	KINGSTON	0.000	300.213	0.000	78.435	0.332763	0.261264	36.308	28.463
1187	RENFRO 11 02 (Clr Frk)	1PDP	TX	IRION	SUGG RANCH	2.020	0.632	1.499	0.469	0.970000	0.742050	33.118	28.302
42065	VARNELL 29-1 (R)	1PDP	LA	DE SOTO	CASPIANA	0.413	520.031	0.120	150.697	0.374723	0.289785	38.486	27.920
1475	SUGG 3-6	1PDP	TX	IRION	SUGG RANCH	0.740	7.274	0.538	5.292	0.970000	0.727500	32.101	27.817
40297	JOBE 5	1PDP	TX	HARRISON	WASKOM	0.385	99.591	0.139	37.845	0.500000	0.380000	33.240	27.736
35016	FISHER 16-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	64.416	0.000	47.267	0.969173	0.733774	29.566	27.663
40956	TRIPP 28-3	1PDP	LA	DE SOTO	CASPIANA	0.646	215.928	0.152	50.951	0.312831	0.235965	31.664	26.985
40179	CHADWICK 4	1PDP	TX	PANOLA	CARTHAGE, S.	1.209	151.990	0.321	40.392	0.349086	0.265758	35.856	26.795
41255	THIGPEN 14-4	1PDP	LA	DE SOTO	KINGSTON	0.401	148.331	0.122	45.176	0.388636	0.304558	30.679	26.692
40133	BRAZZELL 9-1	1PDP	LA	DE SOTO	KINGSTON	0.000	351.166	0.000	93.022	0.350512	0.264895	34.802	26.573
40264	GORDON, CA 2	1PDP	TX	HARRISON	WASKOM	0.493	152.040	0.174	53.817	0.491622	0.353968	33.992	26.370
40656	WHELESS 5-2	1PDP	LA	DE SOTO	CASPIANA	0.000	262.449	0.000	100.505	0.500000	0.382949	32.708	26.327
40523	PL RANCH 22-2	1PDP	LA	DE SOTO	HOLLY	0.000	205.653	0.000	81.233	0.500000	0.395000	32.328	26.169

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES LD.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40371	MARTIN 19-1 ALT (R)	1PDP	LA	DE SOTO	HOLLY	0.000	414.086	0.000	111.226	0.358142	0.268906	35.829	26.041
35039	HODDE 22-1	1PDP	LA	JACKSON	VERNON	0.000	128.973	0.000	92.244	0.947428	0.715217	30.037	25.980
40145	BRAZZELL 8-4	1PDP	LA	DE SOTO	KINGSTON	0.000	313.368	0.000	103.745	0.437340	0.331066	33.464	25.789
41102	NABORS 7-2	1PDP	LA	DE SOTO	CASPIANA	0.000	175.246	0.000	58.706	0.437498	0.334992	29.477	25.744
40526	PULLEN 14-1	1PDP	LA	DE SOTO	HOLLY	0.143	147.560	0.052	53.356	0.469683	0.361590	29.738	25.587
40460	JONESVILLE, N. B 2	1PDP	TX	HARRISON	WASKOM	0.000	110.894	0.000	37.315	0.448650	0.336487	29.268	25.427
40211	DUNN 6-1	1PDP	LA	DE SOTO	CASPIANA	0.000	535.926	0.000	71.565	0.189284	0.133536	32.573	24.204
41107	PRICE INVESTMENTS 4-1	1PDP	LA	DE SOTO	KINGSTON	1.326	195.158	0.325	47.876	0.331700	0.245319	26.670	23.856
40095	ANISMAN HEIRS TRUST 1	1PDP	LA	CADDO	GREENWOOD-WASK	0.000	304.028	0.000	117.415	0.495000	0.386197	31.341	23.538
41790	CATHEY 29-2	1PDP	LA	DE SOTO	CASPIANA	0.000	189.044	0.000	54.782	0.374723	0.289785	26.510	23.201
40094	ALLEN 9-1	1PDP	LA	DE SOTO	KINGSTON	0.685	576.238	0.181	152.643	0.350512	0.264895	31.853	23.134
40585	SL 6760 5-3	1PDP	LA	DE SOTO	KINGSTON	0.000	330.078	0.000	119.252	0.451000	0.361283	26.968	23.015
35050	ROBERT CONE 12-1	1PDP	LA	JACKSON	VERNON	0.000	151.646	0.000	121.081	1.000000	0.798443	27.324	23.004
43310	ODEN, RP 35 H-2 ALT CVHZ	1PDP	LA	DE SOTO	HOLLY	0.000	1,443.415	0.000	46.023	0.039907	0.031885	39.936	22.746
38005	G B CUNYUS #1	1PDP	TX	GREGG	DANVILLE	1.448	36.335	0.553	13.865	0.500000	0.381571	24.423	22.464
40890	SAMMO PARTNERSHIP 12-2	1PDP	LA	DE SOTO	CASPIANA	0.000	204.438	0.000	67.550	0.440052	0.330420	26.587	22.423
40606	STILES 18-2	1PDP	LA	DE SOTO	CASPIANA	0.000	193.525	0.000	73.853	0.500000	0.381619	26.178	22.331
38048	GRIFFIN RANCH GU #6-06	1PDP	TX	GREGG	DANVILLE	0.766	397.752	0.293	152.337	0.497320	0.382995	25.936	22.325
43153	ODEN, RAY JR 25-1	1PDP	LA	DE SOTO	HOLLY	0.000	766.552	0.000	41.892	0.054450	0.054650	41.486	22.238
40307	JOHNSON A 4	1PDP	TX	HARRISON	WASKOM	1.442	36.514	0.531	13.455	0.500000	0.368501	25.209	22.135
41299	PEACOCK 28-1	1PDP	LA	DE SOTO	CASPIANA	1.036	292.596	0.244	69.042	0.312831	0.235965	28.438	22.064
1178	PERRY 47-1	1PDP	TX	DAWSON	ACKERLY	4.568	1.190	1.038	0.271	0.300000	0.227250	23.041	22.008
40160	BURFORD 23-2	1PDP	LA	DE SOTO	HOLLY	0.000	242.942	0.000	96.214	0.500000	0.396037	27.669	21.947
40426	MHS-WELLS 2	1PDP	TX	PANOLA	BETHANY	0.000	67.353	0.000	25.070	0.500000	0.372216	23.871	21.674
40894	LOWERY 13 #1	1PDP	LA	DE SOTO	KINGSTON	0.000	223.243	0.000	77.146	0.454385	0.345570	25.736	21.579
41325	PERKINS 3-1	1PDP	LA	DE SOTO	KINGSTON	0.000	796.038	0.000	65.019	0.104605	0.081678	34.902	21.177
40111	BARNETTE 25-2 D	1PDP	LA	DE SOTO	HOLLY	7.079	333.496	0.422	19.877	0.064805	0.059603	34.932	21.141
35085	PATRICK CONE 7-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	74.927	0.000	60.334	0.996883	0.805237	23.165	21.124
40444	MORELOCK 2	1PDP	TX	PANOLA	CARTHAGE, N.	0.283	185.672	0.075	49.513	0.333333	0.266667	28.370	21.040

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES LD.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40348	KILLIAN 18-7	1PDP	LA	DE SOTO	KINGSTON	0.000	305.938	0.000	79.931	0.332763	0.261264	27.525	20.961
42890	SCOTT 19-7	1PDP	LA	DE SOTO	HOLLY	0.000	206.182	0.000	65.402	0.422970	0.317204	24.632	20.775
41298	PEACOCK 28-3	1PDP	LA	DE SOTO	CASPIANA	1.118	176.287	0.284	41.598	0.312831	0.235965	24.488	20.749
40086	ABNEY.PK 8	1PDP	TX	HARRISON	WASKOM	1.206	56.577	0.396	18.566	0.437500	0.328147	23.631	20.300
40222	FLOURNOY 19-2	1PDP	LA	DE SOTO	HOLLY	0.000	358.337	0.000	96.251	0.358142	0.268606	27.597	20.235
40339	JONESVILLE A 8T	1PDP	TX	HARRISON	WASKOM	2.613	47.517	0.855	15.544	0.434620	0.327126	24.574	20.154
40944	SCOTT 12-1	1PDP	LA	DE SOTO	KINGSTON	0.000	174.199	0.000	57.559	0.440052	0.330420	23.581	19.614
40512	CLINKRAFT 5-2	1PDP	LA	DE SOTO	KINGSTON	0.425	142.088	0.154	51.334	0.451000	0.361283	22.418	19.284
35324	WEYERHAEUSER 15-1	1PDP	LA	JACKSON	VERNON	0.000	441.428	0.000	45.201	0.126028	0.102398	32.114	19.105
40843	SMITH 8-1 (R)	1PDP	LA	DE SOTO	KINGSTON	0.376	190.732	0.124	63.137	0.437340	0.331025	21.327	19.020
38080	STARR DICKSON GU #1-02	1PDP	TX	GREGG	DANVILLE	3.031	159.197	1.161	60.990	0.500000	0.383113	24.196	18.873
38077	MURPHY OU #1-02	1PDP	TX	GREGG	DANVILLE	3.376	58.636	1.288	22.374	0.500000	0.381571	23.762	18.831
40933	WELLS 8-1	1PDP	LA	DE SOTO	CASPIANA	0.000	551.120	0.000	68.724	0.181442	0.124698	26.028	18.628
35164	DAVIS BROS 26A-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	67.592	0.000	47.061	0.905861	0.696243	20.072	18.595
40655	WHELESS 5-1	1PDP	LA	DE SOTO	CASPIANA	0.000	165.172	0.000	63.253	0.500000	0.382949	21.034	18.358
35347	LOGGY BAYOU 9-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	396.512	0.000	47.875	0.157298	0.123865	27.611	18.073
40328	JONESVILLE A 10	1PDP	TX	HARRISON	WASKOM	0.000	70.231	0.000	23.069	0.439538	0.328477	19.389	17.787
40342	KILLIAN 18-1	1PDP	LA	DE SOTO	KINGSTON	0.000	264.099	0.000	84.315	0.409415	0.319257	22.727	17.541
40129	BRAZZELL 8-1	1PDP	LA	DE SOTO	KINGSTON	0.175	167.096	0.058	55.306	0.437340	0.330985	19.928	17.183
41053	SCOTT 19-6	1PDP	LA	DE SOTO	HOLLY	0.000	211.380	0.000	67.051	0.422970	0.317204	19.942	17.103
41023	DONNER PROP 4-4	1PDP	LA	DE SOTO	KINGSTON	0.130	293.509	0.029	65.720	0.331850	0.223912	19.966	17.093
40246	FULLER, KB 19-2	1PDP	LA	DE SOTO	HOLLY	0.785	181.861	0.207	47.997	0.345641	0.263923	20.469	16.952
38086	STARR DICKSON GU #1-12	1PDP	TX	GREGG	DANVILLE	0.000	288.585	0.000	110.560	0.500000	0.383113	19.421	16.836
1271	SUGG 3-4	1PDP	TX	IRION	SUGG RANCH	0.438	5.967	0.318	4.341	0.970000	0.727500	18.891	16.800
35346	ARLISS BARR 12-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	88.807	0.000	71.789	1.000000	0.808374	18.604	16.660
38030	GRIFFIN RANCH GU #2-09	1PDP	TX	GREGG	DANVILLE	0.518	316.746	0.132	80.908	0.333334	0.255434	19.483	16.611
38037	GRIFFIN RANCH GU #4-03	1PDP	TX	GREGG	DANVILLE	1.139	192.925	0.435	73.615	0.500000	0.381571	18.800	16.590
47121	BROYLES 2	1PDP	LA	CADDO	CASPIANA	0.009	484.934	0.001	28.806	0.078792	0.059402	23.819	16.423
40458	JONESVILLE, N. A 11	1PDP	TX	HARRISON	WASKOM	0.784	22.667	0.262	7.577	0.466519	0.334265	17.142	16.202

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES LD.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35134	SIMONTON ETAL 12-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	82.472	0.000	33.050	0.522804	0.400745	17.658	16.182
40952	GILLESPIE 18-1	1PDP	LA	DE SOTO	CASPIANA	0.000	158.577	0.000	60.516	0.500000	0.381619	18.735	16.028
35371	JACLIN CORP 2A-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	80.044	0.000	63.910	1.000000	0.798443	17.329	15.694
35031	PATTERSON ESTATE 1	1PDP	LA	JACKSON	VERNON	0.000	62.744	0.000	48.062	0.977534	0.766001	16.966	15.637
36321	DAVIS BROS 28A-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	83.005	0.000	49.034	0.782176	0.590736	16.503	14.940
42459	PEACOCK 29-2	1PDP	LA	DE SOTO	HOLLY	0.000	239.404	0.000	69.376	0.374723	0.289785	18.053	14.854
40935	BLACK 6-1	1PDP	LA	DE SOTO	CASPIANA	0.000	330.369	0.000	41.196	0.181442	0.124698	17.943	14.724
46572	ODEN HEIRS 26 H-1 CVHZ	1PDP	LA	DE SOTO	HOLLY	7.032	1,584.660	0.084	18.981	0.015600	0.011978	23.026	14.249
41494	BRAZZELL 17-1 (R)	1PDP	LA	DE SOTO	KINGSTON	0.247	211.098	0.068	55.990	0.347606	0.265231	15.756	14.203
40605	STILES 18-1	1PDP	LA	DE SOTO	CASPIANA	0.000	132.464	0.000	50.551	0.500000	0.381619	15.749	14.123
43266	MEANS, TR 26 H-1 CVHZ	1PDP	LA	DE SOTO	HOLLY	0.000	2,044.357	0.000	24.487	0.013689	0.011978	27.460	14.097
38093	GRIFFIN RANCH GU #2-15	1PDP	TX	GREGG	DANVILLE	0.000	772.954	0.000	197.439	0.333334	0.255434	16.790	14.090
40931	ROE 6-1	1PDP	LA	DE SOTO	CASPIANA	0.000	262.479	0.000	32.731	0.181442	0.124698	16.536	14.071
40452	MYERS 17-1 ALT	1PDP	LA	DE SOTO	KINGSTON	0.311	164.425	0.082	43.611	0.347606	0.265231	15.826	13.928
40960	WHELESS 5-5	1PDP	LA	DE SOTO	CASPIANA	0.000	206.393	0.000	79.038	0.500000	0.382949	16.268	13.627
41290	PEACOCK 28-4	1PDP	LA	DE SOTO	CASPIANA	1.211	133.352	0.286	31.466	0.312831	0.235965	15.225	13.352
40528	PURE 18-1	1PDP	LA	DE SOTO	KINGSTON	0.000	134.666	0.000	36.390	0.344712	0.270227	15.587	13.262
40158	BURFORD 22-1	1PDP	LA	DE SOTO	HOLLY	0.000	153.199	0.000	60.514	0.500000	0.395000	15.428	13.218
38025	GRIFFIN RANCH GU #2-04	1PDP	TX	GREGG	DANVILLE	0.000	396.401	0.000	101.254	0.333334	0.255434	14.694	12.932
38047	GRIFFIN RANCH GU #6-05	1PDP	TX	GREGG	DANVILLE	0.630	176.037	0.242	67.588	0.497320	0.383943	14.273	12.766
40884	BLACKSTONE 7-2	1PDP	LA	DE SOTO	KINGSTON	0.362	232.927	0.083	53.173	0.292609	0.228283	14.149	12.480
40259	GARRETT E 8	1PDP	TX	HARRISON	WASKOM	0.612	403.555	0.026	17.117	0.042415	0.042415	21.021	12.479
41121	WHEELER 16-4	1PDP	LA	CADDO	LONGWOOD	0.347	61.954	0.139	24.791	0.500000	0.400156	13.698	12.448
40898	PASKER WARE 14-2	1PDP	LA	DE SOTO	KINGSTON	0.000	136.711	0.000	47.278	0.429903	0.345825	14.098	12.208
40934	BLACK STONE 6-1	1PDP	LA	DE SOTO	CASPIANA	0.000	320.097	0.000	39.916	0.181442	0.124698	14.161	11.981
43151	LATIN 25-2 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	509.492	0.000	30.367	0.064534	0.059603	19.902	11.966
38081	STARR DICKSON GU #1-07	1PDP	TX	GREGG	DANVILLE	0.584	291.728	0.224	111.765	0.500000	0.383113	12.818	11.193
40284	HERRING 5-2	1PDP	LA	DE SOTO	CASPIANA	0.000	121.692	0.000	46.602	0.500000	0.382949	12.274	11.007
35033	DAVIS BROS G-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	56.635	0.000	40.274	0.935714	0.711109	11.791	10.953

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES LD.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
38028	GRIFFIN RANCH GU #2-07	1PDP	TX	GREGG	DANVILLE	0.661	134.696	0.253	51.605	0.500000	0.383120	11.781	10.591
38026	GRIFFIN RANCH GU #2-05	1PDP	TX	GREGG	DANVILLE	0.390	191.181	0.149	72.879	0.497500	0.381204	11.691	10.459
1626	SUGG 69 3	1PDP	TX	IRION	SUGG RANCH	0.227	3.005	0.165	2.186	0.970000	0.727500	10.941	10.400
35048	LA MINERALS 15-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	51.132	0.000	38.558	1.000000	0.754077	11.071	10.345
40228	FORVILLE 1	1PDP	TX	PANOLA	BETHANY	0.000	42.968	0.000	16.113	0.500000	0.375000	10.946	10.183
42470	PETROHAWK 31-3	1PDP	LA	DE SOTO	HOLLY	0.000	172.293	0.000	31.646	0.243353	0.183677	11.619	10.149
41249	ROLAND WARE 14-1	1PDP	LA	DE SOTO	KINGSTON	0.000	126.515	0.000	38.531	0.388636	0.304558	11.348	10.071
41754	SL 19027 16-1	1PDP	LA	DE SOTO	CASPIANA	0.000	453.201	0.000	43.335	0.127493	0.095620	13.414	9.773
41242	MCCONNELL 13-1	1PDP	LA	DE SOTO	KINGSTON	0.000	95.381	0.000	32.961	0.454385	0.345570	10.327	9.490
40930	WHITE 6-1	1PDP	LA	DE SOTO	CASPIANA	0.000	215.500	0.000	26.872	0.181442	0.124698	10.754	9.456
41244	THIGPEN 13-2	1PDP	LA	DE SOTO	KINGSTON	0.000	85.430	0.000	29.522	0.454385	0.345570	10.162	9.431
35300	SIMONTON 12-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	206.194	0.000	19.600	0.126374	0.095056	11.251	9.394
41230	STEPHENSON 11-1	1PDP	LA	DE SOTO	KINGSTON	0.000	178.693	0.000	47.816	0.341877	0.267585	10.586	9.180
38007	FLHT OU #1-01	1PDP	TX	GREGG	DANVILLE	1.043	19.760	0.396	7.511	0.497435	0.380110	9.667	8.877
40112	BARNETTE 25-3	1PDP	LA	DE SOTO	HOLLY	0.000	240.833	0.000	14.354	0.054450	0.059603	12.468	8.863
38032	GRIFFIN RANCH GU #2-11	1PDP	TX	GREGG	DANVILLE	0.692	259.123	0.265	99.275	0.500000	0.383120	9.758	8.771
38031	GRIFFIN RANCH GU #2-10	1PDP	TX	GREGG	DANVILLE	0.000	308.050	0.000	78.686	0.333334	0.255434	10.388	8.746
40562	SCHUFORD 29-1	1PDP	LA	CADDO	GREENWOOD-WASK	0.278	98.385	0.109	38.792	0.494949	0.394288	10.167	8.636
40215	ELLIOTT 12-1	1PDP	LA	CADDO	LONGWOOD	0.838	17.613	0.327	6.873	0.481955	0.390194	9.219	8.592
40430	MILLS 19-2	1PDP	LA	CADDO	GREENWOOD-WASK	0.244	103.087	0.096	40.563	0.497374	0.399486	9.654	8.280
38042	GRIFFIN RANCH OU #5-02	1PDP	TX	GREGG	DANVILLE	1.233	62.317	0.470	23.778	0.500000	0.381571	9.047	8.167
41291	PURE 28-1	1PDP	LA	DE SOTO	CASPIANA	0.384	125.588	0.091	29.634	0.312831	0.235965	8.846	8.118
40267	GRAY HEIRS 29 #2	1PDP	LA	CADDO	GREENWOOD-WASK	0.737	51.722	0.287	20.165	0.495000	0.388678	9.146	8.093
40202	DILLARD 17-1	1PDP	LA	DE SOTO	CASPIANA	0.000	103.742	0.000	36.831	0.461417	0.355026	8.562	7.745
41120	WHEELER 16-3	1PDP	LA	CADDO	LONGWOOD	0.414	75.025	0.166	30.022	0.500000	0.400156	8.676	7.739
40473	NARRAMORE 4	1PDP	TX	HARRISON	WASKOM	0.000	82.444	0.000	30.828	0.494315	0.373922	8.941	7.620
43158	TRIPP 28-4 (DENMON 28-1 REDRILL)	1PDP	LA	DE SOTO	CASPIANA	0.135	151.433	0.032	35.733	0.312831	0.235965	8.311	7.418
40844	SMITH 17-1 ALT (R)	1PDP	LA	DE SOTO	KINGSTON	0.000	193.547	0.000	51.335	0.347601	0.265231	8.353	7.393
42068	BARNETTE 25-1 (R)	1PDP	LA	DE SOTO	HOLLY	2.213	362.944	0.104	17.071	0.064534	0.047034	9.568	7.285

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.



HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40359	LATIN 25-1 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	200.313	0.000	11.939	0.064534	0.059603	8.408	7.021
43155	ODEN, RAY SR 35-4	1PDP	LA	DE SOTO	HOLLY	0.000	686.121	0.000	21.877	0.039907	0.031885	11.007	6.824
38013	GRIFFIN RANCH OU #C-02	1PDP	TX	GREGG	DANVILLE	0.315	90.152	0.120	34.399	0.500000	0.381571	7.016	6.423
41297	TRIPP 28-1	1PDP	LA	DE SOTO	KINGSTON	0.587	147.299	0.138	34.757	0.312831	0.235965	7.096	6.220
38015	GRIFFIN RANCH GU #1-03	1PDP	TX	GREGG	DANVILLE	1.025	72.717	0.391	27.747	0.500000	0.381571	7.090	6.179
40210	DOWNER 2	1PDP	TX	HARRISON	WASKOM	0.152	49.514	0.056	18.073	0.500000	0.365000	6.780	6.158
40462	JONESVILLE, N. 4	1PDP	TX	HARRISON	WASKOM	0.000	64.594	0.000	21.705	0.448025	0.336019	6.834	6.099
40227	FLOURNOY 20-6	1PDP	LA	DE SOTO	HOLLY	0.000	183.019	0.000	53.449	0.395000	0.292040	6.972	6.064
41240	BEDSOLE 13-1	1PDP	LA	DE SOTO	KINGSTON	0.000	72.312	0.000	24.989	0.454385	0.345570	6.357	5.941
41402	MCMLLON 15-2	1PDP	LA	CADDO	LONGWOOD	0.000	48.628	0.000	19.606	0.499217	0.403184	6.351	5.923
40658	WHELESS 5-6	1PDP	LA	DE SOTO	CASPIANA	0.000	87.967	0.000	33.687	0.500000	0.382949	6.279	5.796
40165	BURNETT 3	1PDP	TX	PANOLA	CARTHAGE, N.	0.249	52.184	0.056	11.782	0.387022	0.225779	6.042	5.571
40143	BRAZZELL 18-6	1PDP	LA	DE SOTO	KINGSTON	0.000	134.023	0.000	35.015	0.332763	0.261264	6.287	5.444
40080	ABNEY HRS 31-1	1PDP	LA	CADDO	GREENWOOD-WASK	0.000	73.616	0.000	27.103	0.489474	0.368161	5.905	5.281
41327	FREE 3-1 ALT	1PDP	LA	DE SOTO	KINGSTON	0.000	232.967	0.000	18.686	0.104605	0.080210	6.207	5.243
42461	PEACOCK 29-1	1PDP	LA	DE SOTO	HOLLY	0.000	132.757	0.000	38.471	0.374723	0.289785	5.660	5.121
40897	EVANS 13-1	1PDP	LA	DE SOTO	KINGSTON	0.000	109.448	0.000	41.683	0.498480	0.380846	5.265	4.928
40576	SHARP 11-1	1PDP	LA	CADDO	LONGWOOD	0.476	32.531	0.173	11.789	0.457984	0.362401	5.265	4.851
41072	BARNETT 24-10	1PDP	LA	DE SOTO	HOLLY	0.000	52.341	0.000	20.245	0.479687	0.386782	5.185	4.827
35030	DAVIS BROS H-1	1PDP	LA	JACKSON	VERNON	0.000	32.749	0.000	23.816	0.592417	0.727228	4.913	4.693
40392	JOHNSON 3	1PDP	TX	HARRISON	WASKOM	0.732	1.708	0.270	0.630	0.500000	0.368582	4.967	4.683
40234	FULLER HEIRS 35-1	1PDP	LA	DE SOTO	HOLLY	0.000	557.456	0.000	17.774	0.039907	0.031885	7.037	4.525
40846	TENSAS DELTA 12-2	1PDP	LA	DE SOTO	KINGSTON	0.000	116.340	0.000	40.484	0.463467	0.347981	4.854	4.520
41372	STEPHENSON 10-1	1PDP	LA	DE SOTO	KINGSTON	0.000	120.444	0.000	16.913	0.187227	0.140420	4.794	4.375
38079	RUNDELL-MCWHORTER #2	1PDP	TX	GREGG	DANVILLE	0.000	165.949	0.000	63.321	0.500000	0.381571	4.457	4.127
40271	GRAY HEIRS 6	1PDP	LA	CADDO	GREENWOOD-WASK	0.113	40.072	0.044	15.651	0.490000	0.390574	4.427	4.123
38078	RUNDELL-MCWHORTER #1	1PDP	TX	GREGG	DANVILLE	0.400	312.576	0.114	89.091	0.374609	0.285021	4.499	4.081
38640	THARP 8-1	1PDP	LA	JACKSON	KELLEYS	0.000	29.735	0.000	22.648	1.000000	0.761654	4.098	3.946
40445	MORELOCK 3	1PDP	TX	PANOLA	CARTHAGE, N.	0.000	48.236	0.000	12.863	0.333333	0.266667	4.270	3.873

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES LD.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
1436	SUGG FARMAR 24-8	1PDP	TX	IRION	SUGG RANCH	0.113	0.768	0.082	0.559	0.970000	0.727500	3.673	3.600
35272	DAVIS BROS 11-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	21.168	0.000	8.483	0.522804	0.400745	3.631	3.544
40611	TEXAS 1	1PDP	TX	HARRISON	WASKOM	0.000	54.190	0.000	18.641	0.458850	0.343988	3.904	3.485
38377	GRIFFIN RANCH GU #1-13	1PDP	TX	GREGG	DANVILLE	0.277	203.718	0.107	78.431	0.500000	0.385000	3.668	3.467
40619	TRAMMELL 1	1PDP	TX	HARRISON	WASKOM	0.000	35.738	0.000	12.116	0.470863	0.339021	3.620	3.403
40123	BELL, MG 31-2	1PDP	LA	CADDO	GREENWOOD-WASK	0.000	24.177	0.000	9.261	0.475000	0.383043	3.480	3.353
38017	GRIFFIN RANCH GU #1-05 UPPER	1PDP	TX	GREGG	DANVILLE, EAST	0.097	126.159	0.037	48.139	0.500000	0.381571	3.510	3.302
40181	CHADWICK 6	1PDP	TX	PANOLA	CARTHAGE, S.	3.735	243.093	0.699	45.474	0.399572	0.187063	-14.390	3.155
35147	CONN 26-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	25.237	0.000	20.142	1.000000	0.798101	2.955	2.861
38029	GRIFFIN RANCH GU #2-08	1PDP	TX	GREGG	DANVILLE	0.000	248.643	0.000	63.512	0.333334	0.255434	3.108	2.832
41294	PEACOCK 28-2	1PDP	LA	DE SOTO	CASPIANA	0.222	68.758	0.062	16.224	0.312831	0.235965	2.999	2.825
43138	KILLIAN 13-2	1PDP	LA	DE SOTO	HOLLY	0.000	677.632	0.000	8.470	0.015650	0.012500	4.336	2.771
38084	STARR DICKSON GU #1-10	1PDP	TX	GREGG	DANVILLE	0.466	55.245	0.179	21.165	0.500000	0.383113	2.897	2.715
40294	JOBE 2	1PDP	TX	HARRISON	WASKOM	0.000	37.282	0.000	14.167	0.500000	0.380000	2.682	2.489
40641	WATERMAN 2	1PDP	TX	HARRISON	WASKOM	0.000	41.474	0.000	17.309	0.500000	0.417335	2.660	2.397
40514	CLINKRAFT 32-2	1PDP	LA	DE SOTO	CASPIANA	0.084	15.900	0.028	5.301	0.431000	0.333427	2.439	2.375
40249	FULLER, R 25-2 ALT	1PDP	LA	DE SOTO	HOLLY	0.563	277.979	0.026	13.074	0.064550	0.047034	2.962	2.303
40955	HINES 28-1	1PDP	LA	DE SOTO	CASPIANA	0.000	38.472	0.000	9.078	0.312831	0.235965	2.188	2.109
1242	TAG RANCH 28 01	1PDP	TX	STERLING	SUGG RANCH	0.434	0.000	0.337	0.000	0.970000	0.776000	2.198	2.097
40494	ODEN HEIRS 30-2	1PDP	LA	DE SOTO	HOLLY	0.000	71.478	0.000	26.886	0.500000	0.376144	2.221	2.090
40198	CURRIE 6	1PDP	TX	HARRISON	WASKOM	0.047	24.674	0.018	9.623	0.500000	0.390000	2.197	2.068
40374	MARTIN TIMBER CO. 11-1	1PDP	LA	DE SOTO	KINGSTON	0.000	42.240	0.000	15.979	0.491070	0.378291	2.139	2.034
40518	PATTERSON LAWSON 1	1PDP	LA	CADDO	GREENWOOD-WASK	0.000	36.527	0.000	14.376	0.496827	0.393571	2.136	2.011
47129	WHITE 16-1	1PDP	LA	DE SOTO	CASPIANA	0.332	41.230	0.059	7.365	0.230285	0.178641	2.011	1.887
41776	BATES 2-1 ALT	1PDP	LA	DE SOTO	KINGSTON	0.248	768.233	0.002	4.801	0.007813	0.006250	2.882	1.838
40579	SHELBY 1	1PDP	TX	HARRISON	WASKOM	0.000	55.138	0.000	15.007	0.388833	0.272182	1.908	1.757
1287	MCGILL 66-1	1PDP	TX	IRION	SUGG RANCH	0.281	0.543	0.219	0.423	0.970000	0.779047	1.799	1.731
35245	ARLISS BARR ET AL 13-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	15.089	0.000	12.150	0.996863	0.805237	1.597	1.559
40490	ODEN HEIRS 26-3	1PDP	LA	DE SOTO	HOLLY	0.000	314.148	0.000	3.430	0.013718	0.010918	1.691	1.373

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES LD.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40275	GUY 5-3	1PDP	LA	DE SOTO	CASPIANA	0.000	54.659	0.000	20.932	0.500000	0.382949	1.427	1.360
35083	HODDE 28-1	1PDP	LA	JACKSON	VERNON	0.000	14.411	0.000	10.976	1.000000	0.761661	1.375	1.346
41780	ELT FOREST 2-1	1PDP	LA	DE SOTO	KINGSTON	0.908	573.474	0.006	3.584	0.007813	0.006250	1.928	1.299
40251	FULLER, R 25-3 ALT	1PDP	LA	DE SOTO	HOLLY	0.349	39.018	0.021	2.326	0.064534	0.059603	1.322	1.210
40214	ELLIOTT 10-1	1PDP	LA	CADDO	LONGWOOD	0.082	7.218	0.029	2.550	0.445265	0.353302	1.027	1.006
41114	SCOTT 17-4	1PDP	LA	DE SOTO	KINGSTON	0.000	35.946	0.000	9.534	0.347606	0.265231	0.991	0.951
54142	RK ABNEY B 9H	1PDP	TX	HARRISON	WASKOM	0.475	146.162	0.067	20.554	0.187500	0.140625	0.935	0.930
39009	GINN HEIRS OU #1-02	1PDP	TX	GREGG	DANVILLE	0.184	10.121	0.070	3.862	0.500000	0.381571	0.900	0.883
40468	NABORS 8-1	1PDP	LA	DE SOTO	CASPIANA	0.000	53.760	0.000	14.282	0.354686	0.265663	0.835	0.802
40240	FULLER, G 26-2	1PDP	LA	LINCOLN	HICO-KNOWLES	0.053	32.807	0.004	2.393	0.083351	0.072932	0.728	0.688
40985	DONNER PROP 4-3	1PDP	LA	DE SOTO	HOLLY	0.145	46.720	0.002	10.461	0.331850	0.223912	0.704	0.686
40543	RUDD 17	1PDP	TX	HARRISON	WASKOM	0.059	14.668	0.024	5.881	0.498962	0.400908	0.706	0.676
41295	PURE 28-3	1PDP	LA	DE SOTO	CASPIANA	0.000	34.708	0.000	8.190	0.312831	0.235965	0.698	0.675
40939	NABORS 8-6	1PDP	LA	DE SOTO	CASPIANA	0.000	27.053	0.000	9.723	0.479686	0.359413	0.676	0.659
36002	ROBERT CONE ET AL 1-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	8.264	0.000	6.599	1.000000	0.798443	0.623	0.614
40115	BAYLISS 32-3 ALT	1PDP	LA	CADDO	GREENWOOD-WASK	0.000	19.759	0.000	7.448	0.500000	0.376947	0.593	0.574
40078	ABNEY HRS 6-2	1PDP	LA	CADDO	GREENWOOD-WASK	0.000	12.310	0.000	4.508	0.474034	0.366203	0.547	0.535
41234	WADZECK 12-1	1PDP	LA	DE SOTO	CASPIANA	0.000	10.647	0.000	3.518	0.440052	0.330420	0.486	0.478
53459	GARRETT E 7	1PDP	TX	HARRISON	WASKOM	0.000	9.725	0.000	0.413	0.042415	0.042415	0.386	0.378
41057	FLOURNOY 20-7	1PDP	LA	DE SOTO	HOLLY	0.000	14.343	0.000	4.958	0.466500	0.345665	0.344	0.338
40654	WHEELER 16-2	1PDP	LA	CADDO	LONGWOOD	0.028	10.701	0.011	4.282	0.500000	0.400156	0.314	0.308
38061	GRIFFIN RANCH GU #7-08	1PDP	TX	GREGG	DANVILLE	0.000	14.452	0.000	5.608	0.500000	0.388066	0.301	0.296
40588	SMITH 13-1 D	1PDP	LA	DE SOTO	HOLLY	0.000	147.653	0.000	1.846	0.015625	0.012500	0.301	0.260
40448	MOSLEY 35-1	1PDP	LA	DE SOTO	HOLLY	0.000	70.514	0.000	2.248	0.039907	0.031885	0.256	0.237
40879	NABORS 8-5	1PDP	LA	DE SOTO	CASPIANA	0.000	21.612	0.000	7.768	0.479686	0.359413	0.176	0.173
40116	BAYLOR 4-1	1PDP	LA	DE SOTO	KINGSTON	0.000	26.275	0.000	5.883	0.302212	0.223912	0.161	0.159
43146	PURE 13-1 D	1PDP	LA	DE SOTO	HOLLY	0.000	50.345	0.000	0.629	0.015625	0.012500	0.148	0.141
40414	MEANS, TR 26-2	1PDP	LA	DE SOTO	HOLLY	0.000	86.679	0.000	0.946	0.015590	0.010918	0.117	0.109
43133	DOWNER 4 CV	1PDP	TX	HARRISON	WASKOM	0.000	2.893	0.000	1.056	0.500000	0.365000	0.099	0.099

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MCF	NET OIL MBO	NET GAS MCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40433	MILLS 22-1	1PDP	LA	CADDO	LONGWOOD	0.000	6.437	0.000	2.620	0.500000	0.407024	0.096	0.097
40488	ODEN HEIRS 26-1	1PDP	LA	DE SOTO	HOLLY	0.000	36.061	0.000	0.394	0.013718	0.010918	0.097	0.093
35152	BUTLER 1	1PDP	LA	JACKSON	VERNON	0.000	14.714	0.000	1.437	0.127888	0.097670	0.079	0.077
35303	WEYERHAEUSER 12-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	3.860	0.000	2.901	1.000000	0.751562	0.061	0.061
2929	HORWOOD 39-1	1PDP	TX	STERLING	SUGG RANCH	0.036	0.046	0.028	0.036	0.970000	0.776000	0.059	0.059
40232	FULLER 25-1 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	8.030	0.000	0.439	0.064534	0.054650	0.037	0.036
40923	GUY 4-2	1PDP	LA	DE SOTO	CASPIANA	0.000	17.785	0.000	0.543	0.040735	0.030551	0.035	0.034
35106	DAVIS BROS 26A-1	1PDP	LA	JACKSON	VERNON	0.000	1.726	0.000	1.202	0.905861	0.696243	0.033	0.033
38064	GRIFFIN RANCH OU #6-09	1PDP	TX	GREGG	DANVILLE	0.008	4.324	0.003	1.665	0.499894	0.384939	0.028	0.028
40581	SIMS 23-1	1PDP	LA	CADDO	GREENWOOD-WASK	0.009	2.319	0.003	0.690	0.334140	0.297402	0.027	0.026
42106	NABORS 7-6	1PDP	LA	DE SOTO	CASPIANA	0.000	7.196	0.000	2.579	0.468748	0.358429	0.024	0.024
40839	SL 18353 8-2 (R)	1PDP	LA	DE SOTO	KINGSTON	0.000	3.880	0.000	1.284	0.437340	0.330985	0.007	0.007
41277	ROE 2-1	1PDP	LA	DE SOTO	KINGSTON	0.000	8.646	0.000	0.054	0.007800	0.006250	0.002	0.002
40551	SAMMO PARTNERSHIP 13-1	1PDP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.454385	0.345570	0.000	0.000
40217	EVANS 9-1	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.340234	0.234975	0.000	0.000
35081	POOL 1	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.945345	0.738964	0.000	0.000
40470	NABORS 8-3	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.479686	0.359413	0.000	0.000
40903	DILLARD 17-4	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.461417	0.355026	0.000	0.000
40332	JONESVILLE A 18	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.477287	0.358820	0.000	0.000
40085	ABNEY.PK 6	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.437500	0.328147	0.000	0.000
40186	COLEMAN 21-4	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.402265	0.327164	0.000	0.000
40255	FURRH ESTATE 1	1PDP	TX	PANOLA	BETHANY	0.000	0.000	0.000	0.000	0.500000	0.385000	0.000	0.000
35108	HELEN HARRIS 7-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.996863	0.805237	0.000	0.000
40405	MEANS 26-8	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.015590	0.010918	0.000	0.000
35220	DAVIS BROS Q-5 ALT	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.895833	0.667614	0.000	0.000
43139	KILLIAN 13-2 D	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.015625	0.012500	0.000	0.000
40660	WINIFRED SHARP 10-1	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.445265	0.353302	0.000	0.000
40236	FULLER HEIRS 35-2	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.039907	0.031885	0.000	0.000
40450	MUDD 15-1	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.499217	0.403115	0.000	0.000

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40349	KILPATRICK 13-1 D	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.015625	0.012500	0.000	0.000
40524	PORTER, RICHARD 3	1PDP	TX	PANOLA	BETHANY	0.000	0.000	0.000	0.000	0.500000	0.375000	0.000	0.000
40451	MULLIN 15-1	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.499217	0.403115	0.000	0.000
40258	GARRETT E 6	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.042415	0.042415	0.000	0.000
1248	VOGEL SNELL 36-1	1PDP	TX	DAWSON	ACKERLY	0.000	0.000	0.000	0.000	0.286880	0.216800	0.000	0.000
35203	LA MINERALS 18-1	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	1.000000	0.755444	0.000	0.000
41221	IP 8-2	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.479686	0.359413	0.000	0.000
40187	COLEMAN 21-6	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.402265	0.327164	0.000	0.000
35180	CALAHAN ET AL 21-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.947428	0.715217	0.000	0.000
35273	LA MINERALS 13A-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.522804	0.400745	0.000	0.000
40296	JOBE 4	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.500000	0.380000	0.000	0.000
40610	TEMPLETON 22-1	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.500000	0.407024	0.000	0.000
35005	W J EMMONS ET AL 1	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	1.000000	0.799694	0.000	0.000
40519	PIERRE, O 35-1 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.039907	0.031885	0.000	0.000
40321	JONESVILLE 20	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.489246	0.366935	0.000	0.000
35207	BROWN 21-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.932417	0.700731	0.000	0.000
40456	JONESVILLE, N. A 6	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.448025	0.336019	0.000	0.000
40486	COEN 25-3	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.064534	0.059603	0.000	0.000
40873	WALDRON 7-2	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.468748	0.358429	0.000	0.000
40438	A C MITCHELL 20 #2	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.053386	0.043447	0.000	0.000
40209	DOWNER 1	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.500000	0.385000	0.000	0.000
40427	MILES 19-1	1PDP	LA	CADDO	GREENWOOD-WASK	0.000	0.000	0.000	0.000	0.497488	0.393571	0.000	0.000
35038	T K GIDDENS ET AL 12-1	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	1.000000	0.808374	0.000	0.000
40469	NABORS 9-2	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.479686	0.359413	0.000	0.000
40437	A C MITCHELL 20 #5	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.053386	0.043447	0.000	0.000
41103	NABORS 9-4	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.479686	0.359413	0.000	0.000
40354	KNIGHTON B 3	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.492905	0.340777	0.000	0.000
35080	WILLIAMS 23-1	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	1.000000	0.800764	0.000	0.000
40407	MEANS 26-9 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.015590	0.010918	0.000	0.000

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40409	MEANS 26-10 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.015590	0.010918	0.000	0.000
35079	DAVIS BROS 19-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.964176	0.763870	0.000	0.000
35075	OXFORD 3 ALT	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.890539	0.668198	0.000	0.000
40620	TRAMMELL 2	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.470268	0.338593	0.000	0.000
35065	GRANROSE 14-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.999364	0.744345	0.000	0.000
40185	COLEMAN 21-3	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.402265	0.327164	0.000	0.000
41835	MARY MAINES 22-1	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.500000	0.407024	0.000	0.000
40401	MEANS 26-4 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.013718	0.010918	0.000	0.000
40978	GUY 5-4	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.500000	0.382949	0.000	0.000
35240	DAVIS HEIRS 19-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	1.000000	0.760943	0.000	0.000
40609	TEMPLETON 15-1	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.499217	0.403115	0.000	0.000
41504	BRAZZELL 8-5 (R)	1PDP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.437340	0.331066	0.000	0.000
40105	BARNETT 24-4	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.479625	0.375719	0.000	0.000
40121	BELL HEIRS 32-1	1PDP	LA	CADDO	GREENWOOD-WASK	0.000	0.000	0.000	0.000	0.490000	0.385979	0.000	0.000
35003	DAVIS BROS J-1	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.880703	0.682088	0.000	0.000
35189	EDWIN SOUR ET AL 7-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	1.000000	0.790505	0.000	0.000
40151	BROWN 5-2 ALT	1PDP	LA	CADDO	GREENWOOD-WASK	0.000	0.000	0.000	0.000	0.493420	0.381839	0.000	0.000
40182	CHANDLER 19-1	1PDP	LA	CADDO	GREENWOOD-WASK	0.000	0.000	0.000	0.000	0.496827	0.393571	0.000	0.000
35008	WILLAMETTE (FO) 16-1	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.020508	0.000	0.000
40379	MAVALEE PRTRN 15-1	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.499217	0.403115	0.000	0.000
41495	BRAZZELL 17-2 (R)	1PDP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.347606	0.265231	0.000	0.000
40432	MILLS 21-2	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.402265	0.327164	0.000	0.000
35250	DAVIS BROS G-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.935714	0.711109	0.000	0.000
40575	SHARP 10-1	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.445265	0.353302	0.000	0.000
40400	MEANS 26-3 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.013718	0.010918	0.000	0.000
40148	BRENNER 7-1	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.468748	0.358429	0.000	0.000
35246	T K GIDDENS ET AL 12-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	1.000000	0.808374	0.000	0.000
38012	GRIFFIN RANCH GU #4-01	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
2407	JARVIS #1	1PDP	TX	CHEROKEE	FT CHEROKEE	0.000	0.000	0.000	0.000	0.250000	0.196324	0.000	0.000

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
38066	GRIFFIN RANCH CU #A-01	1PDP	TX	GREGG	PEATOWN	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
38070	M G M GRIFFIN GU #1-01	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.390573	0.000	0.000
38085	STARR DICKSON GU #1-11	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.383113	0.000	0.000
38045	GRIFFIN RANCH GU #6-01	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.497418	0.383724	0.000	0.000
38004	CUNYUS RANCH #1	1PDP	TX	GREGG	DANVILLE, EAST	0.000	0.000	0.000	0.000	0.500000	0.386998	0.000	0.000
38083	STARR DICKSON GU #1-09	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.499750	0.382921	0.000	0.000
38075	MCWHORTER-RUNDELL #1	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.328333	0.250531	0.000	0.000
38057	GRIFFIN RANCH GU #7-04	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.388066	0.000	0.000
38018	GRIFFIN RANCH GU #1-07	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
38027	GRIFFIN RANCH GU #2-06	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.383120	0.000	0.000
38041	GRIFFIN RANCH GU #5-01	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
2665	MCKINNEY GAS UNIT #1	1PDP	TX	CHEROKEE	FT CHEROKEE	0.000	0.000	0.000	0.000	0.250000	0.202713	0.000	0.000
35411	SWIM 21-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.820535	0.603711	0.000	0.000
40446	MORELOCK 4	1PDP	TX	PANOLA	BETHANY	0.000	0.000	0.000	0.000	0.333333	0.266667	0.000	0.000
38055	GRIFFIN RANCH GU #7-02	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.388066	0.000	0.000
40507	COEN, RP 35-2 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.039907	0.031885	0.000	0.000
40164	BURNETT 2	1PDP	TX	PANOLA	CARTHAGE, N.	0.000	0.000	0.000	0.000	0.500000	0.378425	0.000	0.000
40399	MEANS 26-2 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.013718	0.010918	0.000	0.000
40311	JOHNSON, R 5	1PDP	TX	PANOLA	CARTHAGE, N.	0.000	0.000	0.000	0.000	0.500000	0.395694	0.000	0.000
40402	MEANS 26-5 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.013718	0.010918	0.000	0.000
40413	MEANS, TR 26-1	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.015600	0.010918	0.000	0.000
40253	FULLER, R 35-2 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.039900	0.031885	0.000	0.000
38024	GRIFFIN RANCH GU #2-03	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.383120	0.000	0.000
40508	COEN, RP 35-3 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.039907	0.031885	0.000	0.000
42064	DONNER PROP 4-1 (R)	1PDP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.302212	0.223912	0.000	0.000
40205	DOUGLAS E A UN 1 NP	1PDP	TX	PANOLA	BETHANY	0.000	0.000	0.000	0.000	0.500000	0.375000	0.000	0.000
40833	SCOTT 19-5 ALT (R)	1PDP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.358142	0.268606	0.000	0.000
40252	FULLER, R 35-1 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.039907	0.031885	0.000	0.000
1799	SUGG FARMAR 38-1	1PDP	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.970000	0.727500	0.000	0.000

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
38002	BELL GU #1-02	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
38006	G B CUNYUS #2	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
40233	FULLER 35-1 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.039907	0.031885	0.000	0.000
38157	STARR DICKSON GU #1-17	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.383113	0.000	0.000
41301	PURE 28-2	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.312831	0.235965	0.000	0.000
38043	GRIFFIN RANCH GU #5-03	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
38039	GRIFFIN RANCH GU #4-06	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
38033	GRIFFIN RANCH GU #2-13	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.333334	0.256434	0.000	0.000
38139	STARR DICKSON GU #1-16	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.383113	0.000	0.000
38060	GRIFFIN RANCH GU #7-07	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.388066	0.000	0.000
38021	GRIFFIN RANCH GU #1-10	1PDP	TX	GREGG	DANVILLE, EAST	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
38087	STARR DICKSON GU #1-13	1PDP	TX	GREGG	DANVILLE, EAST	0.000	0.000	0.000	0.000	0.500000	0.383113	0.000	0.000
34887	HORNE 47-2A	1PDP	TX	DAWSON	ACKERLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
38177	GRIFFIN RANCH GU #06-12	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.503284	0.388947	0.000	0.000
43145	PURE 13-1	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.015625	0.012500	0.000	0.000
38110	GRIFFIN RANCH GU #07-10	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.388066	0.000	0.000
38051	GRIFFIN RANCH GU #6-10	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.499885	0.384988	0.000	0.000
38019	GRIFFIN RANCH GU #1-08	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
43147	KILLIAN 13-1	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.015625	0.012500	0.000	0.000
38059	GRIFFIN RANCH GU #7-06	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.388066	0.000	0.000
53455	BREARD 9-1	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.021558	0.015738	0.000	0.000
38611	WEYERHAEUSER 10-1 (KELLEYS)	1PDP	LA	JACKSON	KELLEYS	0.000	0.000	0.000	0.000	1.000000	0.751250	0.000	0.000
43318	NSEMPRA 2T	1PDP	TX	PANOLA	CARTHAGE, N.	0.000	0.000	0.000	0.000	0.500000	0.387500	0.000	0.000
38456	HOCDE ET AL 14-1	1PDP	LA	JACKSON	KELLEYS	0.000	0.000	0.000	0.000	1.000000	0.752851	0.000	0.000
38155	STARR DICKSON GU #1-15	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.383113	0.000	0.000
38063	GRIFFIN RANCH GU #8-03	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.440786	0.000	0.000
38457	THRASHER ST JUDE TRUST 17-1	1PDP	LA	JACKSON	KELLEYS	0.000	0.000	0.000	0.000	1.000000	0.761020	0.000	0.000
53456	CCMP LLC 2-1	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.007813	0.006348	0.000	0.000
46878	REX BRYAN 34-1	1PDP	LA	CADDO	ELM GROVE	0.000	0.000	0.000	0.000	0.275000	0.212768	0.000	0.000

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.



HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
38038	GRIFFIN RANCH GU #4-04	1PDP	TX	GREGG	DANVILLE, EAST	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
53457	GARRETT E 10	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.042415	0.042415	0.000	0.000
53458	GARRETT E 11	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.042415	0.042415	0.000	0.000
38069	GRIFFIN RANCH OU #C-01	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
41314	CALHOUN 4-1	1PDP	LA	RED RIVER	CASPIANA	0.000	0.000	0.000	0.000	0.040735	0.030551	0.000	0.000
40922	CALHOUN 4-2	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.040735	0.030551	0.000	0.000
38040	GRIFFIN RANCH GU #4-07	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
1793	SUGG J.D. 23-3	1PDP	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.970000	0.727500	0.000	0.000
40372	MARTIN 19-2 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.358142	0.268606	0.000	0.000
35290	CAUSEY 14-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	1.000000	0.745739	0.000	0.000
35295	DAVIS BROS G-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.935714	0.711109	0.000	0.000
35323	EWING 19-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	1.000000	0.760943	0.000	0.000
40309	JOHNSON, R 3	1PDP	TX	PANOLA	CARTHAGE, N.	0.000	0.000	0.000	0.000	0.401412	0.317618	0.000	0.000
40453	MYERS 29-1	1PDP	LA	CADDO	GREENWOOD-WASK	0.000	0.000	0.000	0.000	0.494949	0.394286	0.000	0.000
35301	CALAHAN 19-1	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.227941	0.174204	0.000	0.000
35299	WEYERHAEUSER 12-1	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	1.000000	0.751562	0.000	0.000
40614	THOMAS 19-2	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.358142	0.268606	0.000	0.000
40485	COEN 25-2 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.064534	0.054650	0.000	0.000
40424	MHS-VANCE 4	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.500000	0.375000	0.000	0.000
40270	GRAY HEIRS 4	1PDP	LA	CADDO	GREENWOOD-WASK	0.000	0.000	0.000	0.000	0.500000	0.395495	0.000	0.000
40247	FULLER, R 25-1 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.064534	0.059603	0.000	0.000
40484	COEN 25-1 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.064534	0.054650	0.000	0.000
<b>TOTAL PROVED DEVELOPED PRODUCING RESERVES</b>						<b>6,559,327</b>	<b>556,516,185</b>	<b>4,096,802</b>	<b>312,391,583</b>			<b>791,443,147</b>	<b>432,738,695</b>

**PROVED DEVELOPED NON-PRODUCING RESERVES**

2734	SUGG 214-3 WC reef secondary	2PNP	TX	IRION	SUGG RANCH	179.843	41.604	130.836	30.267	0.970000	0.727500	9,724,986	3,506,868
1882	SUGG 214-3	2PNP	TX	IRION	SUGG RANCH	49.349	38.123	35.901	27.735	0.970000	0.727500	3,180,743	2,812,839
53420	BEASLEY 9-2 ALT (WO CASE)	2PNP	LA	JACKSON	VERNON	0.000	2,262,464	0.000	1,733,222	0.977797	0.766077	2,796,091	1,228,166
53350	TURNER ET AL 30-1 ALT (CLEANOUT	2PNP	LA	JACKSON	VERNON	0.000	3,157,950	0.000	2,375,383	0.988084	0.752185	3,483,095	931,365

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
50772	DAVIS BROS 28-7 ALT (CLEANOUT	2PNP	LA	JACKSON	VERNON	0.000	1,797.656	0.000	1,369.205	1.000000	0.761661	2,095.139	885.154
50792	THURMON 10-1 ALT (CLEANOUT WO	2PNP	LA	JACKSON	VERNON	0.000	1,581.017	0.000	1,211.682	0.978058	0.766394	1,748.222	724.057
51999	DAVIS BROS 20-2 ALT (CLEANOUT	2PNP	LA	JACKSON	VERNON	0.000	1,890.796	0.000	1,303.918	0.932417	0.700731	1,673.014	655.056
52001	DAVIS BROS 28-2 ALT (CLEANOUT	2PNP	LA	JACKSON	VERNON	0.000	2,209.749	0.000	1,683.080	1.000000	0.761661	2,079.661	608.142
53694	LA MINERALS 7-7 ALT (CLEANOUT W	2PNP	LA	JACKSON	VERNON	0.000	1,588.483	0.000	1,252.803	1.000000	0.788679	1,670.320	578.830
50786	ROBERT CONE 12-3 ALT (CLEANOU	2PNP	LA	JACKSON	VERNON	0.000	1,850.951	0.000	1,477.879	1.000000	0.798443	1,861.398	462.729
50692	DAVIS BROS 20A-1 (CLEANOUT WO)	2PNP	LA	JACKSON	VERNON	0.000	2,019.065	0.000	1,441.534	0.956280	0.713961	1,701.514	459.810
53332	DAVIS BROS J-11 ALT (WO CASE)	2PNP	LA	JACKSON	VERNON	0.000	1,244.588	0.000	981.070	0.913412	0.707921	1,113.412	458.828
52024	LEWIS 15-2 ALT (CLEANOUT WO)	2PNP	LA	JACKSON	VERNON	0.000	1,812.015	0.000	1,453.988	0.913411	0.707921	1,912.112	447.118
53686	DAVIS LUMBER 10-5 ALT (CLEANOU	2PNP	LA	JACKSON	VERNON	0.000	2,044.015	0.000	1,431.265	0.920265	0.700222	1,827.721	440.975
52022	LEONARD 20-2 ALT (CLEANOUT WO)	2PNP	LA	JACKSON	VERNON	0.000	1,894.778	0.000	1,449.848	0.965486	0.765181	1,663.486	379.727
53702	OXFORD 3 ALT (CLEANOUT WO)	2PNP	LA	JACKSON	VERNON	0.000	1,777.170	0.000	1,187.501	0.890539	0.668198	1,424.746	360.006
54144	DAVIS BROS G-4 ALT (WO CASE)	2PNP	LA	JACKSON	VERNON	0.000	1,077.061	0.000	765.908	0.905714	0.711109	887.561	352.584
52007	DAVIS BROS J-13 ALT (CLEANOUT	2PNP	LA	JACKSON	VERNON	0.000	1,534.503	0.000	1,046.900	0.913412	0.707921	1,060.738	178.253
40365	LONG HEIRS 16-1	2PNP	LA	CADDO	GREENWOOD-WASK	10.071	259.643	3.827	98.664	0.495089	0.379697	284.732	174.781
40212	ELDRIDGE-BIVINS 1	2PNP	TX	HARRISON	WOODLAWN	4.560	380.000	1.778	148.200	0.500000	0.390000	234.853	129.324
50768	CAUSEY 14-2 ALT (CLEANOUT WO)	2PNP	LA	JACKSON	VERNON	0.000	1,370.797	0.000	1,022.257	1.000000	0.745739	967.892	105.980
40168	BURNETT 6	2PNP	TX	PANOLA	CARTHAGE, N.	3.465	318.598	0.992	91.213	0.379189	0.286295	151.876	92.962
53682	DAVIS BROS Q-3 ALT (CLEANOUT W	2PNP	LA	JACKSON	VERNON	0.000	989.192	0.000	663.105	1.000000	0.745739	407.967	82.804
52032	MCCONNELL ESTATE 15-2 ALT (CLE	2PNP	LA	JACKSON	VERNON	0.000	1,359.748	0.000	1,030.280	1.000000	0.757699	883.152	77.996
40556	SANDERS A 5	2PNP	TX	HARRISON	WASKOM	5.758	19.193	2.159	7.197	0.500000	0.375000	96.860	71.968
53317	CALAHAN ET AL 21-1 ALT (CLEANOU	2PNP	LA	JACKSON	VERNON	0.000	863.001	0.000	617.234	0.947428	0.715217	415.667	68.822
40218	EVERETT 1	2PNP	TX	HARRISON	BETHANY	4.039	160.479	1.424	56.569	0.470000	0.352500	93.471	60.132
40532	ROBERTS 9-1	2PNP	LA	DE SOTO	KINGSTON	0.841	827.589	0.223	219.224	0.350512	0.264895	87.302	50.532
40635	WARE 12-1	2PNP	LA	DE SOTO	KINGSTON	1.071	473.582	0.354	156.481	0.440052	0.330420	72.056	45.514
40122	BELL, MG 5-3 ALT	2PNP	LA	CADDO	GREENWOOD-WASK	0.719	319.579	0.281	124.824	0.489383	0.390591	95.383	41.247
40149	BROOKS HEIRS 21-1	2PNP	LA	DE SOTO	KINGSTON	0.711	559.281	0.203	159.346	0.307262	0.284912	64.836	38.822
40357	KOCH 1	2PNP	TX	PANOLA	BETHANY	0.225	140.952	0.090	56.610	0.500000	0.401625	50.161	37.906
53315	BROWN ET AL 25-1 ALT (CLEANOUT	2PNP	LA	JACKSON	VERNON	0.000	1,089.045	0.000	678.910	0.953332	0.732945	458.110	30.967

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
42503	MORAN 27-5	2PNP	LA	DE SOTO	HOLLY	0.000	127.005	0.000	63.503	0.500000	0.500000	19.133	15.789
40549	SABINE UPLIFT 12-1	2PNP	LA	DE SOTO	KINGSTON	0.000	230.941	0.000	76.308	0.440052	0.330420	14.440	12.006
43143	MHS-WELLS 4	2PNP	TX	PANOLA	BETHANY	0.000	108.645	0.000	40.439	0.500000	0.372216	12.683	7.709
40550	SAMMO PARTNERSHIP 18-1	2PNP	LA	DE SOTO	CASPIANA	0.000	52.760	0.000	20.134	0.500000	0.381619	7.154	6.377
40178	CHADWICK 3	2PNP	TX	PANOLA	CARTHAGE, S.	0.818	41.639	0.266	13.531	0.399572	0.324965	7.320	5.976
47128	WILHELM 1	2PNP	LA	DE SOTO	CASPIANA	0.010	98.469	0.002	17.941	0.244316	0.182195	6.519	5.723
41122	WILLIE JOHNSON 7-1	2PNP	LA	DE SOTO	KINGSTON	0.000	159.759	0.000	36.470	0.292609	0.228283	5.451	4.743
35068	LA MINERALS 7-1	2PNP	LA	JACKSON	VERNON	0.000	37.500	0.000	29.984	1.000000	0.790505	4.987	4.511
856	ANTHONY H G #1	2PNP	LA	DE SOTO	LOGANSPOUT	0.097	36.213	0.018	6.713	0.237031	0.185370	2.231	2.005
40299	JOBE 8	2PNP	TX	HARRISON	WASKOM	5.713	57.134	2.171	21.711	0.500000	0.380000	30.471	1.583
40481	NICHOLS 20-1	2PNP	LA	DE SOTO	HOLLY	0.000	52.832	0.000	15.429	0.395000	0.292040	1.597	1.477
40161	BURFORD 29-1	2PNP	LA	DE SOTO	BETHANY LONGSTR	0.142	30.136	0.058	12.360	0.500000	0.410148	1.606	1.464
42135	CARR 34-1 (R)	2PNP	LA	DE SOTO	CASPIANA	0.000	71.297	0.000	17.962	0.309314	0.251940	1.099	1.004
35292	DAVIS BROS J-12 ALT	2PNP	LA	JACKSON	VERNON	0.000	12.105	0.000	8.569	0.913412	0.707921	0.803	0.751
41241	JACKSON 13-1	2PNP	LA	DE SOTO	KINGSTON	0.000	9.203	0.000	3.180	0.454385	0.345570	0.336	0.317
40420	MHS-TMMN FURR 2	2PNP	TX	HARRISON	WASKOM	0.025	5.647	0.009	2.118	0.500000	0.375000	0.189	0.177
35225	PATRICK CONE 7-2 ALT	2PNP	LA	JACKSON	VERNON	0.000	3.219	0.000	2.592	0.996863	0.805237	0.124	0.117
40387	MCKINNEY 14-1	2PNP	LA	DE SOTO	HOLLY	0.028	6.960	0.010	2.517	0.489683	0.361590	0.086	0.081
40904	BLACKSTONE MIN 17-1	2PNP	LA	DE SOTO	CASPIANA	0.003	1.814	0.001	0.644	0.461417	0.355026	0.008	0.008
40871	CALHOUN 5-1	2PNP	LA	DE SOTO	CASPIANA	0.011	2.149	0.004	0.823	0.500000	0.382949	0.006	0.006
42033	MHS-WELLS 3	2PNP	TX	PANOLA	BETHANY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40155	BRYSON 16-1	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
42053	MEANS, HENRY 25-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40892	CARWILE 12-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35037	DAVIS BROS J-2 ALT	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
43322	ALLDAY, M3	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35036	DAVIS BROS Q-1 ALT	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40442	MORAN 28-1	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35372	WILLAMETTE 1-1	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40509	O'KEEFE 14-1	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35168	STEWART HARRISON 34-4 ALT	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35135	BARNETT 9-1	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35169	DAVIS BROS 16-1	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35291	WEYERHAEUSER 27-1 ALT	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40529	PURE 7-2	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
42054	SAMMO PARTNERSHIP 8-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40381	MCCOY 6-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40358	LANE 14-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40434	MINOR 7-1	2PNP	LA	DE SOTO	RED RIVER-BULL BA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35111	CALAHAN 19-1 ALT	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40818	ODEN HEIRS 31-7 (R)	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40117	BEAUBOUF 21-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40163	BURNETT 1	2PNP	TX	PANOLA	GARTHAGE, N.	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40201	DILLARD 17-2	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
2341	SUGG 68-3	2PNP	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40183	COLEMAN 21-1	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41013	THOMPSON 34-1	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
871	SMITH A M #1	2PNP	LA	DE SOTO	LOGANSPOUT	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41243	WARE 13-2	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41246	THIGPEN 14-2	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35029	DAVIS BROS A-1	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40563	SCHULZE #1C	2PNP	TX	PANOLA	BETHANY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41530	JONES 28-1 (R)	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40388	MCMILLON 15-1	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
53684	DAVIS BROS 26A-1 (CLEANOUT WO)	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40914	LOWERY INV 24-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40970	FRIERSON 5-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40375	MARTIN TIMBER 14-1	2PNP	LA	DE SOTO	RED RIVER-BULL BA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35007	PATTERSON ESTATE 2-ALT	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40172	CARR 2	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40889	DOUGLAS EST 11-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40616	TILLER-HILLIARD 2	2PNP	TX	PANOLA	BRIGGS	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40885	BEAUBOUF 11-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40312	JONES 15-1	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40103	BARNETT 24-2 ALT	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40281	HENDERSON 14-1	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35345	STEWART HARRISON 34-2	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
53714	WEYERHAEUSER 10-1 (CLEANOUT	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35127	DAVIS BROS 33-1	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
47131	PARSONS 1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
53345	PATRICK CONE 7-2 ALT (WO)	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35100	HALL 19-1 ALT	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35194	DAVIS BROS 29-9 ALT	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40907	SAMMO PARTNERSHIP 18-3	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40216	ELT RESOURCES 20-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40118	BEDSOLE 32-1	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40571	SCOTT 20-1 ALT	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35035	ROBINSON 1	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
34840	SUGG FARMAR 38-5	2PNP	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
47127	CHANDLER 1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
50802	BARNETT 24-6 ALT (R)	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35121	WHITTEN 20-1 ALT	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40584	SL 6760 5-2	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40223	FLOURNOY 20-1	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40083	ABNEY.PK 3	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40125	BOGGERY GU 2	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40891	PURE 12-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35006	OXFORD 1	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40634	WALDRON 7-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40306	JOHNSON A 2	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40308	JOHNSON, R 1	2PNP	TX	PANOLA	CARTHAGE, N.	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40653	WHEELER 16-1	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40184	COLEMAN 21-2	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40496	ODEN HEIRS 30-4	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40230	FOSTER-JACKSON 1	2PNP	TX	PANOLA	BETHANY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40447	MORELOCK 5	2PNP	TX	PANOLA	CARTHAGE, N.	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40513	CLINKRAFT 6-2	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40596	SMITH HEIRS 30-4	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40516	PARKER 31-1	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40411	MEANS, RT 23-1	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40241	FULLER, H 24-1	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40511	CLINKRAFT 5-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40423	MHS-VANCE 3	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40154	BROWN 32-4 ALT	2PNP	LA	CADDO	GREENWOOD-WASK	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40595	SMITH HEIRS 30-3	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35022	HODDE 21-1	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40382	MCELROY HRS 1 NP (PET)	2PNP	TX	HARRISON	WOODLAWN	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41027	CLINKRAFT 5-4	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40213	ELLERBE HEIRS 1	2PNP	LA	CADDO	GREENWOOD-WASK	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40677	JACKSON HRS 9-1	2PNP	LA	CADDO	GREENWOOD-WASK	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40329	JONESVILLE A 11	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40474	NARRAMORE 5	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40500	ODEN HEIRS 31-3	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40220	EVERETT 3	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40517	PARKER 31-2	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1232	SUGG 67-2	2PNP	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40282	HEROLD HEIRS 8-1	2PNP	LA	DE SOTO	RED RIVER-BULL BA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
43137	THOMAS 28-1 (R)	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40104	BARNETT 24-3 ALT	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40245	FULLER, KB 19-1	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
42048	SUSTANABLE FOREST 30 #1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40197	CURRIE 5	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40310	JOHNSON, R 4	2PNP	TX	PANOLA	GARTHAGE, N.	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40114	BAYLISS 32-1	2PNP	LA	CADDO	GREENWOOD-WASK	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40489	ODEN HEIRS 26-2	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40625	TRULY 25-1 ALT	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40661	WINSTON 1	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40648	WELLS, M W 2	2PNP	TX	PANOLA	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40322	JONESVILLE 21	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40645	WEATHERSBY, DON 4	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40472	NARRAMORE 3	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40325	JONESVILLE A 4	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40498	ODEN HEIRS 31-1	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40499	ODEN HEIRS 31-2	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40100	AUBURNIA 20-2	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40640	WATERMAN 1	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40180	CHADWICK 5	2PNP	TX	PANOLA	GARTHAGE, S.	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40391	MEANS 23-3 ALT	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40403	MEANS 26-6 ALT	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40594	SMITH HEIRS 30-2	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40404	MEANS 26-7 ALT	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40261	GOODGAME 1L & 1U	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40491	ODEN HEIRS 26-4	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40627	VANCE 1	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40079	ABNEY HRS 6-3	2PNP	LA	CADDO	GREENWOOD-WASK	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35342	PATTERSON ESTATE 6-ALT	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40320	JONESVILLE 15	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40318	JONESVILLE 12	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40392	MEANS 23-4 ALT	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40162	BURKS 1	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40113	BAYLISS 5-2	2PNP	LA	CADDO	GREENWOOD-WASK	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40373	MARTIN 1	2PNP	TX	HARRISON	BETHANY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40390	MEANS 23-2 ALT	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41401	MCCOY 5-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41235	ETHAL WARE 12-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40441	MORAN 21-1 ALT	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40327	JONESVILLE A 7A	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41195	BELLE CHERRI 1-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40880	IP 8-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41025	CLINKRAFT 5-3	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40503	COEN HEIRS 31-6	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41220	SAMMO PARTNERSHIP 8-3	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40505	COEN HEIRS 31-8	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
39074	L'YNN HORTON OU #1-02	2PNP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41490	BRAZZELL 8-2 (R)	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40940	NABORS 8-7	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40510	O'KEEFE 14-2	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40190	CONGER 22-1	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41296	TRIPP 28-2	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40608	STRONG 11-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40626	TYSON 14-1	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35294	DAVIS BROS 18B-1	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40436	A C MITCHELL 17-1	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40877	PURE 7-4	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.



HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35219	BROWN ET AL 25-2	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40188	COLEMAN 21-7	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40174	CASON 11-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41223	PURE 8-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41112	SAMMO PARTNERSHIP 18-2	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
42047	FRITH 29 #1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40303	LUELLEN JOHNSON 7-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40288	HUNT 31-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35231	STEWART HARRISON 25-5	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40968	FLORSHEIM 18-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35343	STEWART HARRISON 30-9 ALT	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1231	SUGG 67-1	2PNP	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40159	BURFORD 23-1	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40416	MHS-CALDWELL 1	2PNP	TX	PANOLA	BETHANY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41513	DILLARD 19-1 (R)	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41692	FLORSHEIM 18-2 (R)	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
50769	CAUSEY 14-2 ALT (CLEANOUT BASE)	2PNP	LA	JACKSON	VERNON	0.000	-1.770	0.000	-1.320	1.000000	0.745739	-0.047	-0.043
53685	DAVIS BROS 26A-1 (CLEANOUT BAS)	2PNP	LA	JACKSON	VERNON	0.000	-70.460	0.000	-49.057	0.905861	0.696243	-13.548	-7.847
53683	DAVIS BROS Q-3 ALT (CLEANOUT B)	2PNP	LA	JACKSON	VERNON	0.000	-57.138	0.000	-42.610	1.000000	0.745739	-10.162	-8.383
54145	DAVIS BROS G-4 ALT (BASE CASE)	2PNP	LA	JACKSON	VERNON	0.000	-301.421	0.000	-214.343	0.905714	0.711109	-96.461	-68.605
53703	OXFORD 3 ALT (CLEANOUT BASE)	2PNP	LA	JACKSON	VERNON	0.000	-780.381	0.000	-521.449	0.890539	0.668198	-555.791	-202.815
53380	DAVIS BROS J-11 ALT (BASE CASE)	2PNP	LA	JACKSON	VERNON	0.000	-588.308	0.000	-402.317	0.913412	0.707921	-343.171	-204.419
52008	DAVIS BROS J-13 ALT (CLEANOUT B)	2PNP	LA	JACKSON	VERNON	0.000	-754.171	0.000	-514.587	0.913412	0.707921	-576.823	-219.775
53715	WEYERHAEUSER 10-1 (CLEANOUT)	2PNP	LA	JACKSON	VERNON	0.000	-702.065	0.000	-530.679	1.000000	0.755883	-526.644	-258.410
53695	LA MINERALS 7-7 ALT (CLEANOUT B)	2PNP	LA	JACKSON	VERNON	0.000	-431.445	0.000	-340.272	1.000000	0.788679	-454.771	-288.165
53363	BROWN ET AL 25-1 ALT (CLEANOUT)	2PNP	LA	JACKSON	VERNON	0.000	-703.074	0.000	-447.706	0.953332	0.732945	-550.731	-299.927
53365	CALAHAN ET AL 21-1 ALT (CLEANOU)	2PNP	LA	JACKSON	VERNON	0.000	-874.809	0.000	-625.679	0.947428	0.715217	-714.914	-305.751
52033	MCCONNELL ESTATE 15-2 ALT (CLE)	2PNP	LA	JACKSON	VERNON	0.000	-1,005.453	0.000	-761.820	1.000000	0.757699	-950.819	-346.217
50787	ROBERT CONE 12-3 ALT (CLEANOU)	2PNP	LA	JACKSON	VERNON	0.000	-1,035.058	0.000	-826.434	1.000000	0.798443	-1,100.195	-347.955

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
50793	THURMON 10-1 ALT (CLEANOUT BA	2PNP	LA	JACKSON	VERNON	0.000	-820.235	0.000	-628.623	0.978058	0.766394	-719.990	-351.944
52023	LEONARD 20-2 ALT (CLEANOUT BAS	2PNP	LA	JACKSON	VERNON	0.000	-1,344.680	0.000	-1,028.924	0.965486	0.765181	-1,411.948	-477.895
52025	LEWIS 15-2 ALT (CLEANOUT BASE)	2PNP	LA	JACKSON	VERNON	0.000	-1,079.518	0.000	-866.123	0.913411	0.707921	-1,220.524	-556.594
52687	DAVIS LUMBER 10-5 ALT (CLEANOU	2PNP	LA	JACKSON	VERNON	0.000	-1,388.348	0.000	-972.152	0.920265	0.700222	-1,430.574	-565.155
50693	DAVIS BROS 20A-1 (CLEANOUT BAS	2PNP	LA	JACKSON	VERNON	0.000	-1,507.234	0.000	-1,076.106	0.956280	0.713961	-1,469.635	-625.904
53400	BEASLEY 9-2 ALT (BASE CASE)	2PNP	LA	JACKSON	VERNON	0.000	-1,308.715	0.000	-1,002.577	0.977797	0.766077	-1,350.199	-657.042
50773	DAVIS BROS 28-7 ALT (CLEANOUT B	2PNP	LA	JACKSON	VERNON	0.000	-1,685.872	0.000	-1,284.063	1.000000	0.761661	-2,007.473	-674.633
52000	DAVIS BROS 20-2 ALT (CLEANOUT B	2PNP	LA	JACKSON	VERNON	0.000	-1,687.521	0.000	-1,182.498	0.932417	0.700731	-1,691.571	-704.577
52002	DAVIS BROS 28-2 ALT (CLEANOUT B	2PNP	LA	JACKSON	VERNON	0.000	-1,834.535	0.000	-1,244.962	1.000000	0.761661	-1,809.214	-820.540
53398	TURNER ET AL 30-1 ALT (CLEANOUT	2PNP	LA	JACKSON	VERNON	0.000	-2,098.864	0.000	-1,578.734	0.988084	0.752185	-2,457.372	-853.883
<b>TOTAL PROVED DEVELOPED NON-PRODUCING RESERVES</b>						<b>267.497</b>	<b>18,127.451</b>	<b>180.607</b>	<b>11,504.163</b>			<b>24,821.943</b>	<b>7,905.651</b>

**PROVED DEVELOPED BEHIND-PIPE RESERVES**

1946	SUGG 7A-13	3PBP	TX	IRION	SUGG RANCH	33.152	100.354	24.118	73.008	0.970000	0.727500	2,999.959	1,592.013
34882	HORNE 2	3PBP	TX	DAWSON	ACKERLY	49.271	24.428	39.107	19.388	1.000000	0.793701	2,939.347	1,179.419
2945	SUGG 9H-4	3PBP	TX	IRION	SUGG RANCH	19.210	87.839	13.975	63.903	0.970000	0.727500	1,884.498	719.613
1277	BROWN BC #3 (3PBP)	3PBP	TX	DAWSON	ACKERLY	52.453	13.997	11.133	2.971	0.290702	0.212248	841.885	631.866
41878	ALEXANDER 24-1 BP	3PBP	LA	DE SOTO	HOLLY	2.801	793.820	1.084	307.276	0.479687	0.387085	446.590	330.616
1285	HAMIL B-1 (PBP)	3PBP	TX	DAWSON	ACKERLY	42.200	21.930	14.685	7.631	0.469579	0.347981	1,101.059	252.966
2942	SUGG 2-7	3PBP	TX	IRION	SUGG RANCH	4.360	58.088	3.172	42.259	0.970000	0.727500	709.470	236.770
36019	PRB-3Q07-UCV-#001	3PBP	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	192.047
36037	PRB-3Q07-UCV-#019	3PBP	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	186.042
36047	PRB-3Q07-UCV-#029	3PBP	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	184.570
36044	PRB-3Q07-UCV-#026	3PBP	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	183.110
36036	PRB-3Q07-UCV-#018	3PBP	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	181.661
36050	PRB-3Q07-UCV-#032	3PBP	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	180.224
36038	PRB-3Q07-UCV-#020	3PBP	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	180.224
36033	PRB-3Q07-UCV-#015	3PBP	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	177.384
36020	PRB-3Q07-UCV-#002	3PBP	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	177.384

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
36035	PRB-3Q07-UCV-#017	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	175.981
36022	PRB-3Q07-UCV-#004	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	174.588
36032	PRB-3Q07-UCV-#014	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	173.207
36027	PRB-3Q07-UCV-#009	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	173.207
36030	PRB-3Q07-UCV-#012	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	171.837
36028	PRB-3Q07-UCV-#010	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	170.478
36046	PRB-3Q07-UCV-#028	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	169.129
36039	PRB-3Q07-UCV-#021	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	167.791
36026	PRB-3Q07-UCV-#008	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	167.791
36034	PRB-3Q07-UCV-#016	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	166.463
36041	PRB-3Q07-UCV-#023	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	165.146
36043	PRB-3Q07-UCV-#025	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	163.840
36021	PRB-3Q07-UCV-#003	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	162.544
36025	PRB-3Q07-UCV-#007	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	161.258
36040	PRB-3Q07-UCV-#022	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	161.258
36042	PRB-3Q07-UCV-#024	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	159.982
36029	PRB-3Q07-UCV-#011	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	158.717
36048	PRB-3Q07-UCV-#030	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	157.461
36045	PRB-3Q07-UCV-#027	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	156.215
36024	PRB-3Q07-UCV-#006	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	154.980
36049	PRB-3Q07-UCV-#031	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	154.980
36051	PRB-3Q07-UCV-#033	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	153.753
36023	PRB-3Q07-UCV-#005	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	153.753
36031	PRB-3Q07-UCV-#013	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	153.753
36052	PRB-3Q07-UCV-#034	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	153.753
41767	LEE 20-1 BPCV	3BPB	LA	DE SOTO	CASPIANA	2.162	612.912	0.879	248.595	0.500000	0.406250	326.274	123.802
41552	MCCOY 6-1 BP	3BPB	LA	DE SOTO	KINGSTON	2.818	798.560	1.128	319.795	0.451000	0.400464	286.063	107.455
43251	MEANS 23-16 CVBP	3BPB	LA	DE SOTO	HOLLY	3.709	1,051.249	1.469	416.324	0.500000	0.396037	433.026	99.702
41951	CLINKRAFT 5-5 BP1	3BPB	LA	DE SOTO	KINGSTON	2.806	795.364	1.004	284.550	0.431000	0.357761	210.716	85.428

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40909	LEE 19-1 BPCV	3BPB	LA	DE SOTO	CASPIANA	1.055	418.730	0.429	170.109	0.500000	0.406250	198.120	85.263
42035	MCCOY 5-1 BP	3BPB	LA	DE SOTO	KINGSTON	2.806	795.364	1.004	284.550	0.431000	0.357761	210.716	77.047
43176	OLINKRAFT 5-4 BP1	3BPB	LA	DE SOTO	KINGSTON	2.806	795.364	1.004	284.550	0.431000	0.357761	210.716	74.638
41873	MEANS 23-15 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.746	1.108	313.957	0.500000	0.396037	196.900	69.176
42711	OLINKRAFT 5-8 BP1	3BPB	LA	DE SOTO	HOLLY	2.803	794.473	0.987	279.778	0.431000	0.352155	196.671	68.284
43141	BARNETT 24-9 BP1	3BPB	LA	DE SOTO	HOLLY	2.801	793.820	1.084	307.121	0.479687	0.386890	206.259	68.113
41877	ALEXANDER 24-2 BP	3BPB	LA	DE SOTO	HOLLY	2.801	793.820	1.084	307.121	0.479687	0.386890	194.266	67.851
41876	BARNETT 24-10 BP1	3BPB	LA	DE SOTO	HOLLY	2.801	793.820	1.084	307.121	0.479687	0.386890	206.259	67.574
42715	FARRIS 24-2 BP1	3BPB	LA	DE SOTO	HOLLY	2.801	793.820	1.084	307.121	0.479687	0.386890	206.259	66.509
40706	BURFORD 23-2 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.746	1.108	313.957	0.500000	0.396037	196.900	65.957
42133	MEANS 23-11 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.746	1.108	313.957	0.500000	0.396037	196.900	65.435
42137	MEANS, RT 23-3 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.746	1.108	313.957	0.500000	0.396037	196.900	65.435
41837	OLINKRAFT 5-9 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.610	0.978	277.123	0.442125	0.349633	172.703	62.773
41838	OLINKRAFT 5-3 BP1	3BPB	LA	DE SOTO	KINGSTON	2.797	792.746	1.001	283.614	0.451000	0.357761	178.942	62.697
42714	FARRIS 24-1 BP1	3BPB	LA	DE SOTO	HOLLY	2.801	793.820	1.084	307.121	0.479687	0.386890	206.259	61.921
43174	MEANS 23-13 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.747	1.108	313.957	0.500000	0.396037	196.900	61.897
42712	OLINKRAFT 5-10 BP1	3BPB	LA	DE SOTO	HOLLY	2.803	794.344	0.984	278.815	0.431000	0.351000	193.779	61.146
42118	MEANS 23-18 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.746	1.108	313.957	0.500000	0.396037	196.900	59.961
40825	PULLEN 14-1 BP	3BPB	LA	DE SOTO	HOLLY	2.794	791.917	1.062	301.011	0.485844	0.380104	179.537	59.916
43122	BROUILLETTE 14-1 BP1	3BPB	LA	DE SOTO	HOLLY	2.794	791.917	1.062	301.011	0.485844	0.380104	179.537	58.754
41729	BROUILLETTE 14-2 BP1	3BPB	LA	DE SOTO	HOLLY	2.794	791.916	1.062	301.011	0.485844	0.380104	179.537	57.828
42723	BARNETT 24-8 BP1	3BPB	LA	DE SOTO	HOLLY	2.799	793.288	1.074	304.424	0.479687	0.383750	198.405	55.432
41840	OLINKRAFT 5-12 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.609	0.978	277.122	0.442125	0.349633	172.703	54.411
42122	MEANS 23-16 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.746	1.108	313.957	0.500000	0.396037	196.900	54.079
41557	MCKINNEY 14-1 BP	3BPB	LA	DE SOTO	HOLLY	2.794	791.917	1.062	301.011	0.485844	0.380104	179.537	51.500
41499	BRAZZELL 18-4 BP1	3BPB	LA	DE SOTO	KINGSTON	2.795	792.196	0.756	214.344	0.344712	0.270570	129.585	48.409
40767	KILLIAN 18-2 BP1	3BPB	LA	DE SOTO	KINGSTON	2.795	792.196	0.730	206.972	0.332763	0.261264	125.275	47.601
41949	OLINKRAFT 5-11 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.610	0.978	277.122	0.442125	0.349633	172.703	47.538
43261	STUCK 32-1 BP1	3BPB	LA	DE SOTO	CASPIANA	2.792	791.352	0.931	264.008	0.431000	0.333617	150.339	47.278

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
41501	BRAZZELL 18-5 BP1	3BPB	LA	DE SOTO	KINGSTON	2.795	792.196	0.730	206.972	0.332763	0.261264	125.275	47.224
40771	KILLIAN 18-6 BP	3BPB	LA	DE SOTO	KINGSTON	2.795	792.196	0.730	206.972	0.332763	0.261264	125.275	46.851
43140	ATKINS 5-1 BP1	3BPB	LA	DE SOTO	KINGSTON	2.797	792.610	0.978	277.122	0.442125	0.349633	172.703	46.052
42692	PEACOCK 29-1 BP1	3BPB	LA	DE SOTO	HOLLY	2.796	792.334	0.805	236.570	0.379211	0.298573	144.862	45.990
42691	WHITE 29-1 BP1	3BPB	LA	DE SOTO	HOLLY	2.794	791.917	0.870	246.638	0.398279	0.311444	146.797	45.349
53741	PATSY JOHNSTON #1 BP	3BPB	TX	GREGG	DANVILLE	14.994	1,497.873	5.375	537.003	0.500000	0.358510	355.962	42.863
40701	BRAZZELL 18-7 BP	3BPB	LA	DE SOTO	KINGSTON	2.795	792.057	0.755	214.035	0.344712	0.270227	128.729	42.472
42694	LARKIN 29-1 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.610	0.805	236.652	0.377344	0.298573	147.820	42.068
42690	PEACOCK 29-2 BP1	3BPB	LA	DE SOTO	HOLLY	2.796	792.334	0.805	236.570	0.379211	0.298573	144.862	41.479
41953	CLINKRAFT 5-7 BP1	3BPB	LA	DE SOTO	HOLLY	2.788	790.192	0.914	258.989	0.431000	0.327755	135.728	40.875
41519	GRIFFIN 33-1 BP	3BPB	LA	DE SOTO	HOLLY	1.989	657.770	0.796	263.117	0.500000	0.400013	224.902	40.870
42696	CATHEY 29-4 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.610	0.805	236.652	0.377344	0.298573	147.820	40.129
53742	SAMMO PARTNERSHIP 18-1 BP1	3BPB	LA	DE SOTO	CASPIANA	2.789	790.485	1.064	301.648	0.500000	0.381599	148.377	40.052
43173	CATHEY 29-2 BP1	3BPB	LA	DE SOTO	CASPIANA	2.797	792.610	0.805	236.698	0.377344	0.298631	147.965	39.250
43125	ODEN HEIRS 31-2 BP1	3BPB	LA	DE SOTO	HOLLY	2.785	789.295	1.001	283.630	0.479128	0.359046	138.419	38.264
41496	BRAZZELL 17-3 BP	3BPB	LA	DE SOTO	KINGSTON	2.788	790.339	0.738	209.203	0.346862	0.264701	111.546	37.773
40626	PURE 18-1 BP1	3BPB	LA	DE SOTO	KINGSTON	2.795	792.056	0.755	214.035	0.344712	0.270227	128.729	37.702
41746	WILLIE JOHNSON 7-1 BP	3BPB	LA	DE SOTO	KINGSTON	2.796	792.334	0.643	182.261	0.292609	0.230031	110.891	37.461
40772	KILLIAN 18-7 BP1	3BPB	LA	DE SOTO	KINGSTON	2.795	792.195	0.730	206.972	0.332763	0.261264	116.956	37.343
42989	KILLIAN 18-9 BP1	3BPB	LA	DE SOTO	HOLLY	2.795	792.196	0.735	208.423	0.335179	0.263095	117.641	37.213
40730	CROCKER 7-1 BP	3BPB	LA	DE SOTO	KINGSTON	2.796	792.334	0.643	182.261	0.292609	0.230031	110.891	36.127
40769	KILLIAN 18-3 BP	3BPB	LA	DE SOTO	KINGSTON	2.795	792.196	0.730	206.972	0.332763	0.261264	116.956	35.605
41586	SCOTT 17-2 ALT BP	3BPB	LA	DE SOTO	KINGSTON	2.788	790.191	0.747	211.799	0.352596	0.268035	110.795	34.913
41735	BRAZZELL 18-8 BP1	3BPB	LA	DE SOTO	KINGSTON	2.795	792.056	0.755	214.035	0.344712	0.270227	128.728	34.823
40830	SCOTT 17-1 ALT BP	3BPB	LA	DE SOTO	KINGSTON	2.788	790.192	0.747	211.799	0.352596	0.268035	110.795	31.488
41588	SL 18353 8-1 BP	3BPB	LA	DE SOTO	KINGSTON	2.787	789.895	0.923	261.501	0.437340	0.331058	133.944	31.019
42038	BRAZZELL 17-4 BP1	3BPB	LA	DE SOTO	KINGSTON	2.788	790.339	0.738	209.204	0.346862	0.264701	111.546	30.970
40734	FLOURNOY 19-2 BP1	3BPB	LA	DE SOTO	HOLLY	2.785	789.295	0.748	212.009	0.358142	0.268606	103.465	30.721
43162	TIMBERSTAR 33-1 BP 1	3BPB	LA	DE SOTO	CASPIANA	2.785	789.296	1.044	295.566	0.500000	0.375000	144.449	30.481

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40815	COEN HEIRS 30-5 BP	3BPB	LA	DE SOTO	HOLLY	2.785	789.446	1.048	296.946	0.500000	0.376144	134.795	30.432
41489	BRAZZELL 8-1 BP	3BPB	LA	DE SOTO	KINGSTON	2.787	789.896	0.923	261.470	0.437340	0.331018	122.911	30.057
42693	BELL 29-1 BP1	3BPB	LA	DE SOTO	HOLLY	2.785	789.295	1.044	295.586	0.500000	0.375000	144.449	30.001
41511	COLVIN 17-1 BP	3BPB	LA	DE SOTO	KINGSTON	2.788	790.339	0.738	209.200	0.346862	0.264701	102.874	28.642
41493	BRAZZELL 9-1 BP1	3BPB	LA	DE SOTO	KINGSTON	2.786	789.746	0.738	209.200	0.350512	0.264895	106.266	28.559
876	SMITH A M #1 BP2 (3BPB)	3BPB	LA	DE SOTO	LOGANSPOUT	0.000	397.221	0.000	88.272	0.301441	0.222223	55.596	28.444
41503	BRAZZELL 8-4 BP	3BPB	LA	DE SOTO	KINGSTON	2.787	789.896	0.923	261.534	0.437340	0.331099	123.113	28.328
42056	ROBERTS 9-1 BP2	3BPB	LA	DE SOTO	KINGSTON	2.786	789.746	0.738	209.200	0.350512	0.264895	106.266	27.666
41615	ATKINS 8-1 BP	3BPB	LA	DE SOTO	KINGSTON	2.786	789.597	0.918	260.085	0.437340	0.320090	118.859	27.229
43142	PURE 28-1 BP1	3BPB	LA	DE SOTO	CASPIANA	2.783	788.839	0.753	213.474	0.362952	0.270618	100.887	26.258
43157	PEACOCK 28-1 BP1	3BPB	LA	DE SOTO	HOLLY	2.783	788.839	0.753	213.474	0.362952	0.270618	100.887	25.844
41742	SCOTT 17-4 BP	3BPB	LA	DE SOTO	KINGSTON	2.787	790.044	0.738	211.759	0.352596	0.267701	101.209	25.594
43065	THOMAS 19-3 BP1	3BPB	LA	DE SOTO	HOLLY	2.785	789.296	0.883	250.368	0.422970	0.317204	111.562	24.553
41859	SCOTT 19-6 BP1	3BPB	LA	DE SOTO	HOLLY	2.785	789.295	0.883	250.368	0.422970	0.317204	111.562	23.226
42993	BRAZZELL 18-6 BP1	3BPB	LA	DE SOTO	HOLLY	2.785	789.295	0.720	204.092	0.344730	0.258575	99.660	21.556
40850	THOMAS 19-2 BP1	3BPB	LA	DE SOTO	HOLLY	2.785	789.296	0.748	212.009	0.358142	0.268606	94.512	20.821
42695	ANDERSON 29-1 BP1	3BPB	LA	DE SOTO	CASPIANA	2.785	789.295	0.733	207.768	0.350977	0.263232	101.395	20.400
43063	SCOTT 19-8 BP1	3BPB	LA	DE SOTO	HOLLY	2.785	789.295	0.748	212.005	0.358150	0.268600	94.484	19.214
43159	TRIPP 28-4 BP1 (DENMON 28-1 RED	3BPB	LA	DE SOTO	CASPIANA	2.783	788.839	0.753	213.474	0.362952	0.270618	100.887	18.661
42090	PETROHAWK 31-1 BP1	3BPB	LA	DE SOTO	CASPIANA	2.786	789.746	0.512	145.058	0.243353	0.183677	73.196	17.028
41883	FLOURNOY 20-7 BP1	3BPB	LA	DE SOTO	HOLLY	2.782	788.376	0.961	272.514	0.466500	0.345665	112.641	15.758
41836	DONNER PROP 4-4 BP1	3BPB	LA	DE SOTO	KINGSTON	2.779	787.591	0.676	191.660	0.331850	0.243350	82.109	14.681
41946	DONNER PROP 4-3 BP1	3BPB	LA	DE SOTO	HOLLY	2.779	787.591	0.676	191.660	0.331850	0.243350	82.109	14.681
43062	SCOTT 19-7 BP1	3BPB	LA	DE SOTO	HOLLY	2.785	789.295	0.748	212.009	0.358142	0.268606	94.512	14.449
42679	PETROHAWK 31-4 BP1	3BPB	LA	DE SOTO	HOLLY	2.784	788.961	0.495	140.307	0.238073	0.177831	66.979	14.194
42710	CLINKRAFT 5-6 BP1	3BPB	LA	DE SOTO	HOLLY	2.775	786.628	0.864	244.967	0.431000	0.311414	95.120	13.647
42683	PETROHAWK 31-2 BP1	3BPB	LA	DE SOTO	HOLLY	2.781	788.220	0.478	135.563	0.232793	0.171986	60.768	12.747
42678	PETROHAWK 31-3 BP1	3BPB	LA	DE SOTO	HOLLY	2.781	788.220	0.478	135.563	0.232793	0.171986	60.768	12.747
41704	THOMPSON 34-1 BP	3BPB	LA	DE SOTO	HOLLY	2.129	469.401	0.291	64.066	0.171314	0.136484	40.623	11.694

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
43160	JACKSON 33-1 BP 1	3BPB	LA	DE SOTO	HOLLY	2.772	785.805	0.797	225.860	0.401250	0.287425	82.376	10.582
41702	DONNER PROP 33-2 BP1	3BPB	LA	DE SOTO	HOLLY	2.772	785.805	0.797	225.860	0.401250	0.287425	82.376	10.063
43172	BELLE CHERRI 1-1 BP1	3BPB	LA	DE SOTO	CASPIANA	2.774	786.136	0.727	206.090	0.365000	0.262155	76.660	9.334
40699	BRAZZELL 18-6 BP1	3BPB	LA	DE SOTO	KINGSTON	2.770	785.135	0.654	185.499	0.332763	0.236264	63.111	5.445
41941	TRIPP 28-2 BP1	3BPB	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41700	DONNER PROP 33-1 BP 1	3BPB	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
42058	JOHNSON 8-1 BP2	3BPB	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
43189	FREE 3-1 BP1	3BPB	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
53739	WILSON DICKSON OU #1-01 BP	3BPB	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
42999	BARNETT 24-11 BP1	3BPB	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
<b>TOTAL PROVED DEVELOPED BEHIND-PIPE RESERVES</b>						<b>761.827</b>	<b>89,217.028</b>	<b>413.851</b>	<b>33,634.312</b>			<b>35,631.583</b>	<b>14,664.567</b>

**PROVED UNDEVELOPED PRIMARY RESERVES**

34879	SHEEN 8B-4	4PUD	TX	IRICON	SUGG RANCH	143.992	24.494	107.964	15.031	1.000000	0.750000	8,134.837	4,095.703
2993	SUGG 10 9	4PUD	TX	IRICON	SUGG RANCH	37.377	242.503	27.192	176.421	0.970000	0.727500	3,244.870	1,577.822
34856	SUGG 10 13	4PUD	TX	IRICON	SUGG RANCH	37.377	242.503	27.192	176.421	0.970000	0.727500	3,244.870	1,577.822
2278	SHEEN 10A 11	4PUD	TX	IRICON	SUGG RANCH	22.377	131.509	16.930	99.500	0.970000	0.756600	2,184.949	1,380.023
34904	SUGG FARMAR 7A-a	4PUD	TX	IRICON	SUGG RANCH	16.098	177.520	11.711	129.146	0.970000	0.727500	2,125.393	1,295.870
2258	SUGG FARMAR 9-7	4PUD	TX	IRICON	SUGG RANCH	25.482	85.352	18.538	62.094	0.970000	0.727500	1,862.294	1,211.924
34908	SUGG FARMAR 27-a	4PUD	TX	IRICON	SUGG RANCH	12.201	338.995	8.876	246.619	0.970000	0.727500	2,637.809	1,133.442
34903	SUGG FARMAR 27-c	4PUD	TX	IRICON	SUGG RANCH	12.201	338.995	8.876	246.619	0.970000	0.727500	2,637.808	1,080.695
34901	SUGG FARMAR 27-b	4PUD	TX	IRICON	SUGG RANCH	12.201	338.995	8.876	246.619	0.970000	0.727500	2,637.808	1,080.695
34902	SUGG FARMAR 27-d	4PUD	TX	IRICON	SUGG RANCH	12.201	338.995	8.876	246.619	0.970000	0.727500	2,637.808	1,072.145
1465	RENFRO 11 b	4PUD	TX	IRICON	SUGG RANCH	39.342	94.168	29.194	69.878	0.970000	0.742050	2,097.766	1,032.219
1467	RENFRO 11 04	4PUD	TX	IRICON	SUGG RANCH	39.342	94.168	29.194	69.878	0.970000	0.742050	2,097.765	1,024.053
34886	MIDDLE CONCHO 1904 b	4PUD	TX	IRICON	SUGG RANCH	43.947	83.353	31.899	60.639	0.970000	0.727500	2,195.037	1,017.564
34861	RENFRO 11A c	4PUD	TX	IRICON	SUGG RANCH	39.289	93.948	28.583	68.347	0.970000	0.727500	2,030.017	986.830
34886	RENFRO 11A t	4PUD	TX	IRICON	SUGG RANCH	39.289	93.948	28.583	68.347	0.970000	0.727500	2,030.017	986.830
34883	RENFRO 11A q	4PUD	TX	IRICON	SUGG RANCH	39.289	93.948	28.583	68.347	0.970000	0.727500	2,030.016	979.023

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
1660	SUGG 06 m	4PUD	TX	IRION	SUGG RANCH	23.233	216.289	16.902	157.350	0.970000	0.727500	2,179.436	944.352
1664	SUGG 06 d	4PUD	TX	IRION	SUGG RANCH	23.233	216.289	16.902	157.350	0.970000	0.727500	2,179.436	944.352
1659	SUGG 06 l	4PUD	TX	IRION	SUGG RANCH	23.233	216.289	16.902	157.350	0.970000	0.727500	2,179.436	936.881
2914	VOGEL SNELL 36-1 R	4PUD	TX	DAWSON	ACKERLY	98.128	23.276	21.274	5.046	0.286880	0.216800	1,335.775	875.097
1745	SUGG JANE TAYLOR 01 30	4PUD	TX	IRION	SUGG RANCH	36.721	73.578	26.714	53.528	0.970000	0.727500	1,709.340	828.999
2991	SUGG 13 10	4PUD	TX	IRION	SUGG RANCH	15.235	62.090	11.083	45.170	0.970000	0.727500	1,110.267	771.618
1389	SUGG 68 n	4PUD	TX	IRION	SUGG RANCH	2.271	337.578	1.652	245.588	0.970000	0.727500	2,040.624	698.141
1388	SUGG 68 s	4PUD	TX	IRION	SUGG RANCH	2.271	337.578	1.652	245.588	0.970000	0.727500	2,040.624	698.141
3000	SUGG A 07 k	4PUD	TX	IRION	SUGG RANCH	31.455	90.093	22.883	65.543	0.970000	0.727500	1,544.437	669.448
1944	SUGG A 07 b	4PUD	TX	IRION	SUGG RANCH	31.455	90.093	22.883	65.543	0.970000	0.727500	1,544.437	664.152
2272	SHEEN 10A p	4PUD	TX	IRION	SUGG RANCH	22.377	131.509	16.900	99.500	0.970000	0.756600	1,491.399	623.802
1417	SUGG 8-16	4PUD	TX	IRION	SUGG RANCH	24.081	128.128	17.519	93.213	0.970000	0.727500	1,459.749	612.701
1735	SUGG JANE TAYLOR E a	4PUD	TX	IRION	SUGG RANCH	27.085	88.091	19.704	64.086	0.970000	0.727500	1,284.939	538.971
34867	SUGG JANE TAYLOR E 01 34	4PUD	TX	IRION	SUGG RANCH	27.085	88.091	19.704	64.086	0.970000	0.727500	1,284.939	538.971
1730	SUGG JANE TAYLOR 01 c	4PUD	TX	IRION	SUGG RANCH	27.085	88.091	19.704	64.086	0.970000	0.727500	1,284.939	538.971
1743	SUGG JANE TAYLOR E 01 35	4PUD	TX	IRION	SUGG RANCH	27.085	88.091	19.704	64.086	0.970000	0.727500	1,284.939	534.707
34907	SUGG FARMAR 7A-d	4PUD	TX	IRION	SUGG RANCH	16.098	177.520	11.711	129.146	0.970000	0.727500	1,431.842	533.966
34906	SUGG FARMAR 7A-c	4PUD	TX	IRION	SUGG RANCH	16.098	177.520	11.711	129.146	0.970000	0.727500	1,431.842	533.966
34905	SUGG FARMAR 7A-b	4PUD	TX	IRION	SUGG RANCH	16.098	177.520	11.711	129.146	0.970000	0.727500	1,431.842	529.761
2286	SUGG FARMAR 7-7	4PUD	TX	IRION	SUGG RANCH	24.020	111.359	17.475	81.014	0.970000	0.727500	1,309.218	520.065
2246	SUGG FARMAR 22 b	4PUD	TX	IRION	SUGG RANCH	22.151	115.062	16.115	83.708	0.970000	0.727500	1,236.006	519.920
3002	SUGG FARMAR 7-8	4PUD	TX	IRION	SUGG RANCH	24.020	111.359	17.475	81.014	0.970000	0.727500	1,309.218	515.950
2229	SUGG FARMAR 23 6	4PUD	TX	IRION	SUGG RANCH	21.490	142.390	15.634	103.589	0.970000	0.727500	1,421.790	479.035
2224	SUGG FARMAR 23 m	4PUD	TX	IRION	SUGG RANCH	21.490	142.390	15.634	103.589	0.970000	0.727500	1,421.790	479.035
2240	SUGG FARMAR 22-10	4PUD	TX	IRION	SUGG RANCH	22.151	115.062	16.115	83.708	0.970000	0.727500	1,236.006	468.916
1700	SUGG 01 o	4PUD	TX	IRION	SUGG RANCH	16.777	158.445	12.205	115.269	0.970000	0.727500	1,306.356	466.382
1697	SUGG 01 m	4PUD	TX	IRION	SUGG RANCH	16.777	158.445	12.205	115.269	0.970000	0.727500	1,306.356	466.382
1698	SUGG 1 g	4PUD	TX	IRION	SUGG RANCH	16.777	158.445	12.205	115.269	0.970000	0.727500	1,306.356	462.692
1413	SUGG 01 07	4PUD	TX	IRION	SUGG RANCH	16.777	158.445	12.205	115.269	0.970000	0.727500	1,306.356	462.692

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.



HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
1777	SUGG 1910 k	4PUD	TX	IRION	SUGG RANCH	31.234	34.888	22.723	25.381	0.970000	0.727500	1,069,568	455,417
1988	SUGG 1910 j	4PUD	TX	IRION	SUGG RANCH	31.234	34.888	22.723	25.381	0.970000	0.727500	1,069,568	451,815
1452	SUGG 1910 i	4PUD	TX	IRION	SUGG RANCH	31.234	34.888	22.723	25.381	0.970000	0.727500	1,069,568	451,815
2253	SUGG FARMAR 09 k	4PUD	TX	IRION	SUGG RANCH	25.482	85.352	18.538	62.094	0.970000	0.727500	1,168,743	446,733
2257	SUGG FARMAR 09 g	4PUD	TX	IRION	SUGG RANCH	25.482	85.352	18.538	62.094	0.970000	0.727500	1,168,743	443,199
2250	SUGG FARMAR 09 n	4PUD	TX	IRION	SUGG RANCH	25.482	85.352	18.538	62.094	0.970000	0.727500	1,168,743	443,199
2261	SUGG FARMAR 9-3	4PUD	TX	IRION	SUGG RANCH	25.482	85.352	18.538	62.094	0.970000	0.727500	1,168,743	443,199
2252	SUGG FARMAR 09 l	4PUD	TX	IRION	SUGG RANCH	25.482	85.352	18.538	62.094	0.970000	0.727500	1,168,744	439,692
2251	SUGG FARMAR 9-6	4PUD	TX	IRION	SUGG RANCH	25.482	85.352	18.538	62.094	0.970000	0.727500	1,168,744	439,692
2218	SUGG FARMAR 24 c	4PUD	TX	IRION	SUGG RANCH	19.567	125.555	14.235	91.341	0.970000	0.727500	1,180,474	405,927
2233	SUGG FARMAR 24 f	4PUD	TX	IRION	SUGG RANCH	19.567	125.555	14.235	91.341	0.970000	0.727500	1,180,474	402,716
2234	SUGG FARMAR 24 e	4PUD	TX	IRION	SUGG RANCH	19.567	125.555	14.235	91.341	0.970000	0.727500	1,180,474	402,716
1773	SUGG 9 w	4PUD	TX	IRION	SUGG RANCH	30.475	35.033	22.171	25.487	0.970000	0.727500	1,023,489	391,030
1974	SUGG 9A k	4PUD	TX	IRION	SUGG RANCH	30.475	35.033	22.171	25.487	0.970000	0.727500	1,023,489	391,030
1451	SUGG 9 d	4PUD	TX	IRION	SUGG RANCH	30.475	35.033	22.171	25.487	0.970000	0.727500	1,023,489	387,937
1373	SUGG 54 a	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141,978	380,856
2025	SUGG A 53 p	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141,978	377,843
2023	SUGG A 53 j	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141,978	377,843
1368	SUGG 53 e	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141,978	377,843
1374	SUGG 54 e	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141,978	374,854
1367	SUGG 53 b	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141,978	374,854
1571	SUGG 53 c	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141,978	371,889
1572	SUGG 53 04	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141,978	371,889
1370	SUGG 53 g	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141,978	371,889
1377	SUGG 54 k	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141,978	368,947
1376	SUGG 54 g	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141,978	368,947
1378	SUGG 54 n	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141,978	368,947
1958	SUGG A 08 d	4PUD	TX	IRION	SUGG RANCH	29.409	38.929	21.395	28.321	0.970000	0.727500	996,908	367,019
1375	SUGG 54 f	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141,978	366,028

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
2998	SUGG 2A-13	4PUD	TX	IRION	SUGG RANCH	29.409	38.929	21.395	28.321	0.970000	0.727500	996.908	364.115
1962	SUGG A 08 g	4PUD	TX	IRION	SUGG RANCH	29.409	38.929	21.395	28.321	0.970000	0.727500	996.908	364.115
1961	SUGG A 08 f	4PUD	TX	IRION	SUGG RANCH	29.409	38.929	21.395	28.321	0.970000	0.727500	996.908	364.115
1957	SUGG A 08 a	4PUD	TX	IRION	SUGG RANCH	29.409	38.929	21.395	28.321	0.970000	0.727500	996.908	361.235
1397	MCGILL 12 h	4PUD	TX	IRION	SUGG RANCH	1.228	239.557	0.928	179.410	0.970000	0.780268	1,213.097	313.144
1395	MCGILL 12 d	4PUD	TX	IRION	SUGG RANCH	1.228	239.557	0.928	179.410	0.970000	0.780268	1,213.097	313.144
1336	MCGILL 12 4	4PUD	TX	IRION	SUGG RANCH	1.228	239.557	0.928	179.410	0.970000	0.780268	1,213.097	313.144
1396	MCGILL 12 e	4PUD	TX	IRION	SUGG RANCH	1.228	239.557	0.928	179.410	0.970000	0.780268	1,213.097	310.667
1393	MCGILL 12 a	4PUD	TX	IRION	SUGG RANCH	1.228	239.557	0.928	179.410	0.970000	0.780268	1,213.097	310.667
1357	SUGG 43 i	4PUD	TX	IRION	SUGG RANCH	17.189	118.308	12.505	86.069	0.970000	0.727500	986.515	299.193
1359	SUGG 43 p	4PUD	TX	IRION	SUGG RANCH	17.189	118.308	12.505	86.069	0.970000	0.727500	986.516	296.826
1882	SUGG 43 b	4PUD	TX	IRION	SUGG RANCH	17.189	118.308	12.505	86.069	0.970000	0.727500	986.516	296.826
1861	SUGG 43-7	4PUD	TX	IRION	SUGG RANCH	17.189	118.308	12.505	86.069	0.970000	0.727500	986.516	296.826
1583	SUGG 43 i	4PUD	TX	IRION	SUGG RANCH	17.189	118.308	12.505	86.069	0.970000	0.727500	986.516	294.478
1634	SUGG 5-9	4PUD	TX	IRION	SUGG RANCH	8.959	173.444	6.518	126.180	0.970000	0.727500	991.795	260.706
2290	SHEEN 08 l	4PUD	TX	IRION	SUGG RANCH	24.251	42.598	18.348	32.230	0.970000	0.756600	815.369	260.308
1390	SUGG 05 a	4PUD	TX	IRION	SUGG RANCH	8.959	173.444	6.518	126.180	0.970000	0.727500	991.795	258.644
1633	SUGG 05 b	4PUD	TX	IRION	SUGG RANCH	8.959	173.444	6.518	126.180	0.970000	0.727500	991.795	258.644
34841	SHEEN 8 m	4PUD	TX	IRION	SUGG RANCH	24.251	42.598	18.348	32.230	0.970000	0.756600	815.369	258.249
2288	SHEEN 08 n	4PUD	TX	IRION	SUGG RANCH	24.251	42.598	18.348	32.230	0.970000	0.756600	815.369	258.249
1636	SUGG 5-10	4PUD	TX	IRION	SUGG RANCH	8.959	173.444	6.518	126.180	0.970000	0.727500	991.795	258.598
1923	SUGG A 03 n	4PUD	TX	IRION	SUGG RANCH	6.591	193.562	4.795	140.817	0.970000	0.727500	1,024.808	240.290
1771	SUGG A 03 l	4PUD	TX	IRION	SUGG RANCH	6.591	193.562	4.795	140.817	0.970000	0.727500	1,024.808	240.290
1926	SUGG A 03 q	4PUD	TX	IRION	SUGG RANCH	6.591	193.562	4.795	140.817	0.970000	0.727500	1,024.808	238.389
1920	SUGG A 03 j	4PUD	TX	IRION	SUGG RANCH	6.591	193.562	4.795	140.817	0.970000	0.727500	1,024.808	238.389
1922	SUGG A 03 m	4PUD	TX	IRION	SUGG RANCH	6.591	193.562	4.795	140.817	0.970000	0.727500	1,024.808	236.504
1919	SUGG A 03 g	4PUD	TX	IRION	SUGG RANCH	6.591	193.562	4.795	140.817	0.970000	0.727500	1,024.808	236.504
1883	SUGG 214 v	4PUD	TX	IRION	SUGG RANCH	12.562	139.151	9.139	101.233	0.970000	0.727500	904.299	236.066
1887	SUGG 214 z	4PUD	TX	IRION	SUGG RANCH	12.562	139.151	9.139	101.233	0.970000	0.727500	904.299	236.066

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
1874	SUGG 214 k	4PUD	TX	IRION	SUGG RANCH	12.562	139.151	9.139	101.233	0.970000	0.727500	904.299	234.198
1888	SUGG 214 aa	4PUD	TX	IRION	SUGG RANCH	12.562	139.151	9.139	101.233	0.970000	0.727500	904.299	234.198
2906	SUGG 214-6	4PUD	TX	IRION	SUGG RANCH	12.562	139.151	9.139	101.233	0.970000	0.727500	904.299	234.198
3007	SUGG 214 xx	4PUD	TX	IRION	SUGG RANCH	12.562	139.151	9.139	101.233	0.970000	0.727500	904.299	232.346
1871	SUGG 214 h	4PUD	TX	IRION	SUGG RANCH	12.562	139.151	9.139	101.233	0.970000	0.727500	904.299	232.346
1890	SUGG 214 cc	4PUD	TX	IRION	SUGG RANCH	12.562	139.151	9.139	101.233	0.970000	0.727500	904.299	230.507
34890	SUGG 214A-b	4PUD	TX	IRION	SUGG RANCH	12.562	139.151	9.139	101.233	0.970000	0.727500	904.299	230.507
34891	SUGG 214A-a	4PUD	TX	IRION	SUGG RANCH	12.562	139.151	9.139	101.233	0.970000	0.727500	904.299	230.507
1889	SUGG 214 bb	4PUD	TX	IRION	SUGG RANCH	12.562	139.151	9.139	101.233	0.970000	0.727500	904.299	228.684
3003	SUGG FARMAR 26A b	4PUD	TX	IRION	SUGG RANCH	8.466	181.200	6.159	131.823	0.970000	0.727500	1,013.495	218.500
2297	SHEEN 08A c	4PUD	TX	IRION	SUGG RANCH	24.146	42.300	17.566	30.773	0.970000	0.727500	738.505	218.292
3006	SUGG FARMAR 26A e	4PUD	TX	IRION	SUGG RANCH	8.466	181.200	6.159	131.823	0.970000	0.727500	1,013.495	216.771
34872	CARTER 1909A f	4PUD	TX	IRION	SUGG RANCH	24.178	36.262	17.590	26.380	0.970000	0.727500	671.732	141.472
34870	CARTER 1909A b	4PUD	TX	IRION	SUGG RANCH	24.178	36.262	17.590	26.380	0.970000	0.727500	671.732	141.472
34899	SUGG FARMAR 23A-f	4PUD	TX	IRION	SUGG RANCH	11.684	117.048	8.500	85.153	0.970000	0.727500	659.905	95.371
34896	SUGG FARMAR 23A-c	4PUD	TX	IRION	SUGG RANCH	11.684	117.048	8.500	85.153	0.970000	0.727500	659.905	94.616
34895	SUGG FARMAR 23A-b	4PUD	TX	IRION	SUGG RANCH	11.684	117.048	8.500	85.153	0.970000	0.727500	659.905	93.125
34897	SUGG FARMAR 23A-d	4PUD	TX	IRION	SUGG RANCH	11.684	117.048	8.500	85.153	0.970000	0.727500	659.905	91.658
34894	SUGG FARMAR 23A-a	4PUD	TX	IRION	SUGG RANCH	11.684	117.048	8.500	85.153	0.970000	0.727500	659.905	90.903
34898	SUGG FARMAR 23A-e	4PUD	TX	IRION	SUGG RANCH	11.684	117.048	8.500	85.153	0.970000	0.727500	659.905	86.701
1400	SUGG 15 l	4PUD	TX	IRION	SUGG RANCH	2.271	177.520	1.652	129.146	0.970000	0.727500	659.157	81.308
1402	SUGG 15 o	4PUD	TX	IRION	SUGG RANCH	2.271	177.520	1.652	129.146	0.970000	0.727500	659.157	80.026
1631	SUGG 69 o	4PUD	TX	IRION	SUGG RANCH	1.343	170.502	0.977	124.040	0.970000	0.727500	555.633	56.986
1627	SUGG 69 k	4PUD	TX	IRION	SUGG RANCH	1.343	170.502	0.977	124.040	0.970000	0.727500	555.632	55.204
1625	SUGG 69 i	4PUD	TX	IRION	SUGG RANCH	1.343	170.502	0.977	124.040	0.970000	0.727500	555.633	54.768
1628	SUGG 69 j	4PUD	TX	IRION	SUGG RANCH	1.343	170.502	0.977	124.040	0.970000	0.727500	555.633	54.334
34876	SUGG 13 12	4PUD	TX	IRION	SUGG RANCH	15.235	62.090	11.083	45.170	0.970000	0.727500	416.716	41.578
2989	SUGG 13 8	4PUD	TX	IRION	SUGG RANCH	15.235	62.090	11.083	45.170	0.970000	0.727500	416.716	40.278
2990	SUGG 13 9	4PUD	TX	IRION	SUGG RANCH	15.235	62.090	11.083	45.170	0.970000	0.727500	416.717	39.960

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
2992	SUGG 13 11	4PUD	TX	IRION	SUGG RANCH	15.235	62.090	11.083	45.170	0.970000	0.727500	416.716	39.019
2986	SUGG 13 5	4PUD	TX	IRION	SUGG RANCH	15.235	62.090	11.083	45.170	0.970000	0.727500	416.716	38.404
1896	SUGG A 01 i	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1442	SUGG A 01 b	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1460	SUGG 19 j	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1762	SUGG A 01 f	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1461	SUGG 19 l	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
2033	SUGG J.D. 23-a	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1899	SUGG A 01 l	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1423	SUGG FARMAR 40 b	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1895	SUGG A 01 h	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1462	SUGG 19 m	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1894	SUGG A 01 g	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1710	SUGG FARMAR 25 g	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1463	SUGG 19 n	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1711	SUGG FARMAR 25 h	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1915	MB NOELKE 02 q	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1448	MB NOELKE 02 f	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1764	MB NOELKE 02 h	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1914	MB NOELKE 02 p	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1447	MB NOELKE 02 e	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
2207	SUGG FARMAR 40 h	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
2211	SUGG FARMAR 25-8	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1446	MB NOELKE 02 c	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1424	SUGG FARMAR 40 i	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1907	MB NOELKE 02 i	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1750	SUGG J.D. 23 b	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1916	MB NOELKE 02 r	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1913	MB NOELKE 02 o	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
MAXIMUM TO MINIMUM DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY RESERVE CATEGORY, DFNR)

ARIES ID.	LEASE	RSV CAT	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
1904	SUGG A 01 q	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1763	MB NOELKE 02 g	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1425	SUGG FARMAR 40 k	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
2215	SUGG FARMAR 25 n	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
<b>TOTAL PROVED UNDEVELOPED PRIMARY RESERVES</b>						<u>2,657.510</u>	<u>17,880.344</u>	<u>1,891.204</u>	<u>13,033.050</u>			<u>171,102.352</u>	<u>63,377.190</u>
<b>TOTAL PROVED RESERVES</b>						<u>10,286.161</u>	<u>681,740.989</u>	<u>6,582.464</u>	<u>370,563.108</u>			<u>1,022,999.025</u>	<u>518,596.103</u>

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

---

**SCHEDULE NO. 3**

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40436	A C MITCHELL 17-1	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40438	A C MITCHELL 20 #2	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.053386	0.043447	0.000	0.000
40437	A C MITCHELL 20 #5	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.053386	0.043447	0.000	0.000
40668	ABNEY BRYSON 7-1	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.582	342.522	0.236	139.058	0.500000	0.405982	92.439	60.911
40078	ABNEY HRS 6-2	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.000	12.310	0.000	4.508	0.474034	0.396203	0.547	0.535
40079	ABNEY HRS 6-3	2PNP	LA	CADDO	GREENWOOD-WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40080	ABNEY HRS 31-1	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.000	73.616	0.000	27.103	0.489474	0.388161	5.905	5.281
40081	ABNEY,RK 1	1PDP	TX	HARRISON	WASKOM	4.659	44.135	1.529	14.483	0.437500	0.328147	66.113	52.784
40082	ABNEY,RK 2	1PDP	TX	HARRISON	WASKOM	39.216	0.000	12.889	0.000	0.437500	0.328147	621.010	345.573
40083	ABNEY,RK 3	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40084	ABNEY,RK 4	1PDP	TX	HARRISON	WASKOM	0.982	177.708	0.322	58.314	0.437500	0.328147	80.119	64.745
43319	ABNEY,RK 5	1PDP	TX	HARRISON	WASKOM	18.749	82.138	6.152	26.953	0.437500	0.328147	341.748	242.528
40085	ABNEY,RK 6	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.437500	0.328147	0.000	0.000
40086	ABNEY,RK 8	1PDP	TX	HARRISON	WASKOM	1.206	56.577	0.396	18.566	0.437500	0.328147	23.631	20.303
40087	ABNEY-O BANION 1	1PDP	TX	HARRISON	WASKOM	0.000	229.102	0.000	60.201	0.305625	0.262768	79.875	62.907
40089	AGURS,WC 4	1PDP	TX	PANOLA	BETHANY, NE	178.520	0.000	66.945	0.000	0.500000	0.375000	5,083.188	1,871.632
43317	AGURS,WC 5	1PDP	TX	PANOLA	BETHANY, NE	60.754	0.000	22.783	0.000	0.500000	0.375000	1,490.545	657.254
41074	ALEXANDER 24-1	1PDP	LA	DE SOTO	HOLLY	1.806	666.006	0.704	259.290	0.479687	0.389021	230.671	129.175
41878	ALEXANDER 24-1 BP	3BPB	LA	DE SOTO	HOLLY	2.801	793.820	1.084	307.276	0.479687	0.387085	446.590	330.616
41073	ALEXANDER 24-2	1PDP	LA	DE SOTO	HOLLY	0.000	591.939	0.000	228.951	0.479687	0.386782	174.433	106.209
41877	ALEXANDER 24-2 BP	3BPB	LA	DE SOTO	HOLLY	2.801	793.820	1.084	307.121	0.479687	0.386890	194.266	67.851
40092	ALLDAY, M2	1PDP	TX	HARRISON	WASKOM	36.542	121.479	13.703	45.555	0.500000	0.375000	703.814	378.111
43322	ALLDAY, M3	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40094	ALLEN 9-1	1PDP	LA	DE SOTO	KINGSTON	0.685	576.238	0.181	152.643	0.350512	0.264895	31.853	23.134
35056	ALVIN BARR 12-1 ALT 227789	1PDP	LA	JACKSON	VERNON	0.000	633.590	0.000	499.699	1.000000	0.789679	503.030	296.063
35352	ALVIN BARR 12-2 ALT 232746	1PDP	LA	JACKSON	VERNON	0.000	1,372.248	0.000	1,082.263	1.000000	0.789679	1,481.950	705.238

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35257	ANADARKO ET AL 20-1 ALT 23	1PDP	LA	JACKSON	VERNON	0.000	937.260	0.000	715.945	0.964176	0.763870	907.548	466.342
41358	ANDERSON 10-1	1PDP	LA	DE SOTO	KINGSTON	0.024	1,534.834	0.003	215.521	0.187250	0.140420	155.584	82.190
42464	ANDERSON 29-1	1PDP	LA	DE SOTO	HOLLY	0.000	1,278.066	0.000	526.651	0.497007	0.412069	477.310	256.685
42695	ANDERSON 29-1 BP1	3BPB	LA	DE SOTO	CASPIANA	2.785	789.295	0.733	207.768	0.350977	0.263232	101.395	20.400
40095	ANISMAN HEIRS TRUST 1	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.000	304.028	0.000	117.415	0.495000	0.396197	31.341	23.538
856	ANTHONY H G #1 044566	2PNP	LA	DE SOTO	LOGANSPORT	0.097	36.213	0.018	6.713	0.237031	0.185370	2.231	2.005
35061	ARLISS BARR 12-1 ALT 228078	1PDP	LA	JACKSON	VERNON	0.000	843.408	0.000	679.144	0.996883	0.805237	833.139	442.246
35228	ARLISS BARR 12-2 ALT 230232	1PDP	LA	JACKSON	VERNON	0.000	462.370	0.000	372.318	0.996883	0.805237	286.755	186.173
35346	ARLISS BARR 12-3 ALT 23253	1PDP	LA	JACKSON	VERNON	0.000	88.807	0.000	71.789	1.000000	0.808374	18.604	16.660
35218	ARLISS BARR 18-1 ALT 229614	1PDP	LA	JACKSON	VERNON	0.000	199.636	0.000	160.754	0.996883	0.805237	98.057	78.346
35267	ARLISS BARR 18-2 ALT 230546	1PDP	LA	JACKSON	VERNON	0.000	679.198	0.000	546.915	0.996883	0.805237	533.540	298.941
35109	ARLISS BARR ET AL 13-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	474.056	0.000	381.728	0.996883	0.805237	296.228	179.144
35107	ARLISS BARR ET AL 13-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	377.484	0.000	303.964	0.996883	0.805237	173.067	119.405
35245	ARLISS BARR ET AL 13-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	15.089	0.000	12.150	0.996883	0.805237	1.597	1.559
35244	ARLISS BARR ET AL 13-4 ALT	1PDP	LA	JACKSON	VERNON	0.000	598.104	0.000	481.615	0.996883	0.805237	481.688	289.214
40098	ATKINS 15-1	1PDP	LA	DE SOTO	HOLLY	0.682	238.477	0.264	92.144	0.487129	0.386385	42.454	32.286
40099	ATKINS 19-1	1PDP	LA	DE SOTO	HOLLY	0.000	926.048	0.000	236.360	0.338597	0.255235	177.772	100.694
40988	ATKINS 5-1	1PDP	LA	DE SOTO	HOLLY	0.000	581.396	0.000	200.733	0.431000	0.345261	113.722	73.557
43140	ATKINS 5-1 BP1	3BPB	LA	DE SOTO	KINGSTON	2.797	792.610	0.978	277.122	0.442125	0.349633	172.703	46.052
40861	ATKINS 8-1	1PDP	LA	DE SOTO	KINGSTON	3.817	540.893	1.257	178.165	0.435621	0.329390	112.470	83.896
41615	ATKINS 8-1 BP	3BPB	LA	DE SOTO	KINGSTON	2.786	789.597	0.918	260.085	0.437340	0.329390	118.859	27.229
40097	ATKINS 9-1	1PDP	LA	DE SOTO	KINGSTON	0.000	605.763	0.000	160.375	0.350365	0.264748	72.639	52.107
40100	AUBURNIA 20-2	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35217	BAKER 16-1 ALT 229942	1PDP	LA	JACKSON	VERNON	0.000	2,947.831	0.000	2,258.041	0.977534	0.786001	4,508.911	2,508.511
35401	BARHAM 20-1 ALT 237093	1PDP	LA	JACKSON	VERNON	0.000	1,160.225	0.000	841.027	0.967500	0.724882	1,020.411	520.403
35057	BARNES 30-1 ALT 228065	1PDP	LA	JACKSON	VERNON	0.000	1,756.280	0.000	1,321.048	0.988084	0.752185	1,976.970	903.199

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.



HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
41072	BARNETT 24-10	1PDP	LA	DE SOTO	HOLLY	0.000	52.341	0.000	20.245	0.479687	0.386782	5.185	4.827
41876	BARNETT 24-10 BP1	3PBP	LA	DE SOTO	HOLLY	2.801	793.820	1.084	307.121	0.479687	0.386890	206.259	67.574
42883	BARNETT 24-11	1PDP	LA	DE SOTO	HOLLY	0.894	505.249	0.348	196.704	0.479687	0.389021	147.942	94.095
42999	BARNETT 24-11 BP1	3PBP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40103	BARNETT 24-2 ALT	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40104	BARNETT 24-3 ALT	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40105	BARNETT 24-4	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.479625	0.375719	0.000	0.000
40106	BARNETT 24-5	1PDP	LA	DE SOTO	HOLLY	0.631	704.228	0.245	274.127	0.479625	0.389259	187.596	109.329
50802	BARNETT 24-6 ALT (R)	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40108	BARNETT 24-7	1PDP	LA	DE SOTO	HOLLY	0.000	680.894	0.000	265.044	0.479625	0.389259	206.295	116.032
42722	BARNETT 24-8	1PDP	LA	DE SOTO	HOLLY	0.000	815.831	0.000	315.498	0.479625	0.386720	316.203	174.847
42723	BARNETT 24-8 BP1	3PBP	LA	DE SOTO	HOLLY	2.799	793.288	1.074	304.424	0.479687	0.383750	198.405	55.432
41071	BARNETT 24-9	1PDP	LA	DE SOTO	HOLLY	0.000	733.093	0.000	283.502	0.479625	0.386720	250.130	142.223
43141	BARNETT 24-9 BP1	3PBP	LA	DE SOTO	HOLLY	2.801	793.820	1.084	307.121	0.479687	0.386890	206.259	68.113
35135	BARNETT 9-1 226828	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
42068	BARNETTE 25-1 (R)	1PDP	LA	DE SOTO	HOLLY	2.213	362.944	0.104	17.071	0.064534	0.047034	9.568	7.285
40111	BARNETTE 25-2 D	1PDP	LA	DE SOTO	HOLLY	7.079	333.496	0.422	19.877	0.064805	0.059603	34.932	21.141
40112	BARNETTE 25-3	1PDP	LA	DE SOTO	HOLLY	0.000	240.833	0.000	14.354	0.054450	0.059603	12.468	8.863
35072	BARR 12-1 226811	1PDP	LA	JACKSON	VERNON	0.000	859.307	0.000	686.108	1.000000	0.798443	847.071	459.181
35073	BARR 12A-1 ALT 228102	1PDP	LA	JACKSON	VERNON	0.000	403.618	0.000	269.461	0.895833	0.667614	185.946	134.242
41776	BATES 2-1 ALT	1PDP	LA	DE SOTO	KINGSTON	0.248	768.233	0.002	4.801	0.007813	0.006250	2.882	1.838
41324	BATES 21-1	1PDP	LA	DE SOTO	HOLLY	0.000	759.280	0.000	215.641	0.331415	0.284007	119.839	75.653
40113	BAYLISS 5-2	2PNP	LA	CADDO	GREENWOOD-WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40114	BAYLISS 32-1	2PNP	LA	CADDO	GREENWOOD-WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40115	BAYLISS 32-3 ALT	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.000	19.759	0.000	7.448	0.500000	0.376847	0.593	0.574
40116	BAYLOR 4-1	1PDP	LA	DE SOTO	KINGSTON	0.000	26.275	0.000	5.883	0.302212	0.223912	0.161	0.159

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES ID.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35096	BEASLEY 9-1 ALT 227479	1PDP	LA	JACKSON	VERNON	0.000	1,942.129	0.000	1,487.672	0.977534	0.766001	2,305.795	1,029.936
35327	BEASLEY 9-2 ALT 231813	1PDP	LA	JACKSON	VERNON	0.000	639.779	0.000	490.120	0.977797	0.766077	563.338	367.162
53400	BEASLEY 9-2 ALT (BASE CASE)	2PNP	LA	JACKSON	VERNON	0.000	-1,308.715	0.000	-1,002.577	0.977797	0.766077	-1,350.199	-657.042
53420	BEASLEY 9-2 ALT (WO CASE)	2PNP	LA	JACKSON	VERNON	0.000	2,262.464	0.000	1,733.222	0.977797	0.766077	2,796.091	1,228.166
40885	BEAUBOUF 11-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40117	BEAUBOUF 21-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41240	BEDSOLE 13-1	1PDP	LA	DE SOTO	KINGSTON	0.000	72.312	0.000	24.989	0.454385	0.345570	6.357	5.941
40118	BEDSOLE 32-1	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35362	BELL 20-1 234477	1PDP	LA	JACKSON	VERNON	0.000	1,652.900	0.000	962.265	0.801858	0.582203	1,351.449	641.185
35869	BELL 20-2 ALT 236880	1PDP	LA	JACKSON	VERNON	0.000	1,448.305	0.000	843.208	0.801858	0.582203	1,132.974	569.230
42462	BELL 29-1	1PDP	LA	DE SOTO	HOLLY	0.000	573.512	0.000	166.195	0.374723	0.289785	74.355	50.734
42693	BELL 29-1 BP1	3BPB	LA	DE SOTO	HOLLY	2.785	789.295	1.044	295.986	0.500000	0.375000	144.449	30.001
38002	BELL GU #1-02 2	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
40120	BELL HEIRS 5-3	1PDP	LA	CADDO	GREENWOOD-WASKOM	12.918	0.000	4.957	0.000	0.490000	0.383886	190.752	121.876
40121	BELL HEIRS 32-1	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.000	0.000	0.000	0.000	0.490000	0.385979	0.000	0.000
38003	BELL OU #1-01	1PDP	TX	GREGG	DANVILLE	18.652	249.329	7.117	95.137	0.500000	0.381571	456.742	279.186
40122	BELL, MG 5-3 ALT	2PNP	LA	CADDO	GREENWOOD-WASKOM	0.719	319.579	0.281	124.824	0.489383	0.390591	95.383	41.247
40123	BELL, MG 31-2	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.000	24.177	0.000	9.261	0.475000	0.383043	3.480	3.353
41195	BELLE CHERRI 1-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
43172	BELLE CHERRI 1-1 BP1	3BPB	LA	DE SOTO	CASPIANA	2.774	786.136	0.727	206.090	0.365000	0.262155	76.660	9.334
40935	BLACK 6-1	1PDP	LA	DE SOTO	CASPIANA	0.000	330.369	0.000	41.196	0.181442	0.124698	17.943	14.724
40934	BLACK STONE 6-1	1PDP	LA	DE SOTO	CASPIANA	0.000	320.097	0.000	39.916	0.181442	0.124698	14.161	11.961
41196	BLACKSTONE 7-1	1PDP	LA	DE SOTO	KINGSTON	0.300	479.189	0.089	109.391	0.292609	0.228283	41.705	31.330
40864	BLACKSTONE 7-2	1PDP	LA	DE SOTO	KINGSTON	0.362	232.927	0.083	53.173	0.292609	0.228283	14.149	12.480
40904	BLACKSTONE MIN 17-1	2PNP	LA	DE SOTO	CASPIANA	0.000	1.814	0.001	0.644	0.461417	0.355026	0.008	0.008
35410	BLALOCK 35-1 ALT 237788	1PDP	LA	JACKSON	VERNON	0.000	1,682.313	0.000	1,038.617	0.799237	0.617374	1,471.098	685.718

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40124	BOGGERY GU 1	1PDP	TX	HARRISON	WASKOM	1.351	137.721	0.494	50.411	0.488049	0.366037	60.122	48.461
40125	BOGGERY GU 2	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35130	BOWDEN 20-1 ALT 229183	1PDP	LA	JACKSON	VERNON	0.000	758.434	0.000	579.345	0.964176	0.763870	647.973	349.089
40128	BOWLES 1	1PDP	TX	PANOLA	BETHANY	0.000	261.446	0.000	92.214	0.441406	0.352707	126.420	100.317
41494	BRAZZELL 17-1 (R)	1PDP	LA	DE SOTO	KINGSTON	0.247	211.098	0.066	55.990	0.347606	0.265231	15.756	14.203
41495	BRAZZELL 17-2 (R)	1PDP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.347606	0.265231	0.000	0.000
40136	BRAZZELL 17-3	1PDP	LA	DE SOTO	KINGSTON	0.000	614.698	0.000	163.037	0.347606	0.265231	124.275	72.471
41496	BRAZZELL 17-3 BP	3BPB	LA	DE SOTO	KINGSTON	2.788	790.339	0.738	209.203	0.346862	0.264701	111.546	37.773
40137	BRAZZELL 17-4	1PDP	LA	DE SOTO	KINGSTON	0.000	574.049	0.000	152.256	0.347606	0.265231	69.338	43.696
42038	BRAZZELL 17-4 BP1	3BPB	LA	DE SOTO	KINGSTON	2.788	790.339	0.738	209.204	0.346862	0.264701	111.546	39.970
40138	BRAZZELL 18-1	1PDP	LA	DE SOTO	KINGSTON	2.120	1,651.821	0.573	446.367	0.344712	0.270227	586.024	341.020
40139	BRAZZELL 18-2	1PDP	LA	DE SOTO	KINGSTON	0.513	1,663.512	0.139	449.526	0.344712	0.270227	531.090	293.340
40140	BRAZZELL 18-3	1PDP	LA	DE SOTO	KINGSTON	3.131	744.449	0.818	194.498	0.332763	0.261264	198.355	128.419
40141	BRAZZELL 18-4	1PDP	LA	DE SOTO	KINGSTON	0.000	375.429	0.000	101.580	0.344712	0.270570	42.993	29.276
41499	BRAZZELL 18-4 BP1	3BPB	LA	DE SOTO	KINGSTON	2.795	792.196	0.756	214.344	0.344712	0.270570	129.585	48.409
40142	BRAZZELL 18-5	1PDP	LA	DE SOTO	KINGSTON	0.000	527.987	0.000	137.944	0.332763	0.261264	83.333	50.949
41501	BRAZZELL 18-5 BP1	3BPB	LA	DE SOTO	KINGSTON	2.795	792.196	0.730	206.972	0.332763	0.261264	125.275	47.224
40143	BRAZZELL 18-6	1PDP	LA	DE SOTO	KINGSTON	0.000	134.023	0.000	35.015	0.332763	0.261264	6.287	5.444
40699	BRAZZELL 18-6 BP1	3BPB	LA	DE SOTO	KINGSTON	2.770	785.135	0.654	185.499	0.332763	0.236264	63.111	5.445
40144	BRAZZELL 18-7	1PDP	LA	DE SOTO	KINGSTON	0.000	725.696	0.000	196.103	0.344712	0.270227	119.754	73.887
40701	BRAZZELL 18-7 BP	3BPB	LA	DE SOTO	KINGSTON	2.795	792.057	0.755	214.035	0.344712	0.270227	128.729	42.472
41052	BRAZZELL 18-8	1PDP	LA	DE SOTO	KINGSTON	0.000	576.971	0.000	155.913	0.344712	0.270227	102.521	69.314
41735	BRAZZELL 18-8 BP1	3BPB	LA	DE SOTO	KINGSTON	2.795	792.056	0.755	214.035	0.344712	0.270227	128.728	34.823
42852	BRAZZELL 18-9	1PDP	LA	DE SOTO	HOLLY	0.972	714.715	0.265	195.197	0.344712	0.273112	171.380	103.986
42993	BRAZZELL 18-9 BP1	3BPB	LA	DE SOTO	HOLLY	2.785	789.295	0.720	204.092	0.344730	0.258575	99.660	21.556
40129	BRAZZELL 8-1	1PDP	LA	DE SOTO	KINGSTON	0.175	167.096	0.058	55.306	0.437340	0.330985	19.928	17.183

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES ID.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
41489	BRAZZELL 8-1 BP	3BPB	LA	DE SOTO	KINGSTON	2.787	789.896	0.923	261.470	0.437340	0.331018	122.911	30.057
41490	BRAZZELL 8-2 (R)	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41491	BRAZZELL 8-3 (R)	1PDP	LA	DE SOTO	KINGSTON	1.953	655.710	0.647	217.056	0.437340	0.331025	164.070	104.797
40145	BRAZZELL 8-4	1PDP	LA	DE SOTO	KINGSTON	0.000	313.368	0.000	103.745	0.437340	0.331066	33.464	25.789
41503	BRAZZELL 8-4 BP	3BPB	LA	DE SOTO	KINGSTON	2.787	789.896	0.923	261.534	0.437340	0.331069	123.113	28.328
41504	BRAZZELL 8-5 (R)	1PDP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.437340	0.331066	0.000	0.000
40147	BRAZZELL 8-6	1PDP	LA	DE SOTO	KINGSTON	0.441	524.043	0.146	173.493	0.437340	0.331066	124.131	96.196
40132	BRAZZELL 8-7	1PDP	LA	DE SOTO	KINGSTON	1.674	542.601	0.554	179.637	0.437340	0.331066	113.281	76.943
40133	BRAZZELL 9-1	1PDP	LA	DE SOTO	KINGSTON	0.000	351.166	0.000	93.022	0.350512	0.264895	34.802	26.573
41493	BRAZZELL 9-1 BP1	3BPB	LA	DE SOTO	KINGSTON	2.786	789.746	0.738	209.200	0.350512	0.264895	106.266	28.559
53455	BREARD 9-1	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.021558	0.015738	0.000	0.000
40148	BRENNER 7-1	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.468748	0.358429	0.000	0.000
35876	BROOKS ET AL 28-2 ALT 2383	1PDP	LA	JACKSON	VERNON	0.000	371.319	0.000	212.887	0.753278	0.573326	180.550	130.312
35793	BROOKS ETAL 28-1 236867	1PDP	LA	JACKSON	VERNON	0.000	2,955.274	0.000	1,639.757	0.732736	0.554858	2,813.944	1,203.076
40149	BROOKS HEIRS 21-1	2PNP	LA	DE SOTO	KINGSTON	0.711	559.281	0.203	159.346	0.307262	0.284912	64.836	38.822
40150	BROOME 18-1	1PDP	LA	CADDO	GREENWOOD-WASKOM	6.749	80.893	2.707	32.442	0.500000	0.401048	220.937	194.655
41041	BROUILLETTE 14-1	1PDP	LA	DE SOTO	HOLLY	2.336	734.237	0.845	265.493	0.469683	0.361590	260.142	153.919
43122	BROUILLETTE 14-1 BP1	3BPB	LA	DE SOTO	HOLLY	2.794	791.917	1.062	301.011	0.485844	0.380104	179.537	58.754
41044	BROUILLETTE 14-2	1PDP	LA	DE SOTO	HOLLY	0.955	602.698	0.345	217.930	0.469683	0.361590	162.459	105.238
41729	BROUILLETTE 14-2 BP1	3BPB	LA	DE SOTO	HOLLY	2.794	791.916	1.062	301.011	0.485844	0.380104	179.537	57.828
40151	BROWN 5-2 ALT	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.000	0.000	0.000	0.000	0.493420	0.381839	0.000	0.000
40152	BROWN 6-1 ALT	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.000	348.086	0.000	111.638	0.406331	0.320719	77.496	53.349
40153	BROWN 6-3 ALT	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.000	394.878	0.000	150.780	0.493420	0.381839	90.387	58.456
35207	BROWN 21-1 ALT 229366	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.932417	0.700731	0.000	0.000
40154	BROWN 32-4 ALT	2PNP	LA	CADDO	GREENWOOD-WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1022	BROWN BC #3	1PDP	TX	DAWSON	ACKERLY	39.020	17.445	7.895	3.530	0.277106	0.202324	586.221	443.575

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
1277	BROWN BC #3 (3BPB)	3BPB	TX	DAWSON	ACKERLY	52.453	13.997	11.133	2.971	0.290702	0.212248	841.885	631.886
35154	BROWN ET AL 25-1 ALT 22873	1PDP	LA	JACKSON	VERNON	0.000	304.193	0.000	222.957	0.953332	0.732945	145.325	112.667
53363	BROWN ET AL 25-1 ALT (CLEA)	2PNP	LA	JACKSON	VERNON	0.000	-703.074	0.000	-447.706	0.953332	0.732945	-550.731	-299.927
53315	BROWN ET AL 25-1 ALT (CLEA)	2PNP	LA	JACKSON	VERNON	0.000	1,089.045	0.000	679.910	0.953332	0.732945	458.110	30.967
35219	BROWN ET AL 25-2 229646	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35363	BROWN ET AL 25-3 ALT 23459	1PDP	LA	JACKSON	VERNON	0.000	1,459.587	0.000	1,069.797	0.953320	0.732945	1,549.113	726.654
47121	BROYLES 2 001-ALT	1PDP	LA	CADDO	CASPIANA	0.009	484.934	0.001	28.806	0.078792	0.059402	23.819	16.423
40155	BRYSON 16-1	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40158	BURFORD 22-1	1PDP	LA	DE SOTO	HOLLY	0.000	153.199	0.000	60.514	0.500000	0.396000	15.428	13.218
40159	BURFORD 23-1	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40160	BURFORD 23-2	1PDP	LA	DE SOTO	HOLLY	0.000	242.942	0.000	96.214	0.500000	0.396037	27.669	21.947
40706	BURFORD 23-2 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.746	1.108	313.957	0.500000	0.396037	196.900	65.957
40161	BURFORD 29-1	2PNP	LA	DE SOTO	BETHANY LONGSTREET	0.142	30.136	0.058	12.360	0.500000	0.410148	1.606	1.464
40162	BURKS 1	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40163	BURNETT 1	2PNP	TX	PANOLA	CARTHAGE, N.	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40164	BURNETT 2	1PDP	TX	PANOLA	CARTHAGE, N.	0.000	0.000	0.000	0.000	0.500000	0.378425	0.000	0.000
40165	BURNETT 3	1PDP	TX	PANOLA	CARTHAGE, N.	0.249	52.184	0.056	11.782	0.387022	0.225779	6.042	5.571
40166	BURNETT 4	1PDP	TX	PANOLA	CARTHAGE, N.	1.779	323.396	0.402	73.016	0.387022	0.225779	66.715	45.575
40167	BURNETT 5	1PDP	TX	PANOLA	CARTHAGE, N.	3.009	402.768	0.679	90.937	0.294456	0.225779	149.518	90.051
40168	BURNETT 6	2PNP	TX	PANOLA	CARTHAGE, N.	3.465	318.598	0.992	91.213	0.379189	0.286295	151.876	92.982
35152	BUTLER 1 227284	1PDP	LA	JACKSON	VERNON	0.000	14.714	0.000	1.437	0.127888	0.097670	0.079	0.077
35301	CALAHAN 19-1 230216	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.227941	0.174204	0.000	0.000
35111	CALAHAN 19-1 ALT 229399	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35180	CALAHAN ET AL 21-1 ALT 2293	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.947428	0.715217	0.000	0.000
53365	CALAHAN ET AL 21-1 ALT (CLE)	2PNP	LA	JACKSON	VERNON	0.000	-874.809	0.000	-625.679	0.947428	0.715217	-714.914	-305.751
53317	CALAHAN ET AL 21-1 ALT (CLE)	2PNP	LA	JACKSON	VERNON	0.000	863.001	0.000	617.234	0.947428	0.715217	415.667	68.822

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES ID.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35270	CALAHAN ET AL 21-2 ALT 2330	1PDP	LA	JACKSON	VERNON	0.000	687.381	0.000	492.937	0.950000	0.717123	485.270	267.644
41314	CALHOUN 4-1	1PDP	LA	RED RIVER	CASPIANA	0.000	0.000	0.000	0.000	0.040735	0.030551	0.000	0.000
40922	CALHOUN 4-2	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.040735	0.030551	0.000	0.000
40871	CALHOUN 5-1	2PNP	LA	DE SOTO	CASPIANA	0.011	2.149	0.004	0.823	0.500000	0.382949	0.006	0.006
40171	CARR 1	1PDP	TX	HARRISON	WASKOM	0.443	246.130	0.142	78.763	0.426675	0.320006	80.436	60.180
40172	CARR 2	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
42135	CARR 34-1 (R)	2PNP	LA	DE SOTO	CASPIANA	0.000	71.297	0.000	17.962	0.309314	0.251940	1.099	1.004
1027	CARTER 1909-1 1	1PDP	TX	IRION	SUGG RANCH	6.644	7.095	4.833	5.162	0.970000	0.727500	214.881	149.938
34875	CARTER 1909A 1 1	1PDP	TX	IRION	SUGG RANCH	38.736	30.058	28.180	21.867	0.970000	0.727500	1,977.807	1,126.504
34869	CARTER 1909A -2 A	1PDP	TX	IRION	SUGG RANCH	9.486	224.367	6.901	163.227	0.970000	0.727500	2,211.317	1,241.925
34870	CARTER 1909A b b	4PUD	TX	IRION	SUGG RANCH	24.178	36.262	17.590	26.380	0.970000	0.727500	671.732	141.472
34872	CARTER 1909A ff	4PUD	TX	IRION	SUGG RANCH	24.178	36.262	17.590	26.380	0.970000	0.727500	671.732	141.472
40892	CARWILE 12-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40174	CASON 11-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41791	CATHEY 29-1	1PDP	LA	DE SOTO	CASPIANA	0.141	742.659	0.041	215.212	0.374723	0.289785	122.790	76.619
41790	CATHEY 29-2	1PDP	LA	DE SOTO	CASPIANA	0.000	189.044	0.000	54.782	0.374723	0.289785	26.510	23.201
43173	CATHEY 29-2 BP1	3BPB	LA	DE SOTO	CASPIANA	2.797	792.610	0.835	236.698	0.377344	0.296831	147.965	39.250
42465	CATHEY 29-4	1PDP	LA	DE SOTO	HOLLY	0.836	878.039	0.242	254.442	0.374723	0.289785	210.123	122.315
42696	CATHEY 29-4 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.610	0.835	236.652	0.377344	0.296831	147.820	40.129
35028	CAUSEY 14-1 ALT 224572	1PDP	LA	JACKSON	VERNON	0.000	484.260	0.000	323.298	0.895833	0.667614	288.549	204.901
35290	CAUSEY 14-2 ALT 230693	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	1.000000	0.745739	0.000	0.000
50789	CAUSEY 14-2 ALT (CLEANOUT)	2PNP	LA	JACKSON	VERNON	0.000	-1.770	0.000	-1.320	1.000000	0.745739	-0.047	-0.043
50788	CAUSEY 14-2 ALT (CLEANOUT)	2PNP	LA	JACKSON	VERNON	0.000	1,370.797	0.000	1,022.257	1.000000	0.745739	867.892	105.980
53456	CCMP LLC 2-1	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.007813	0.006348	0.000	0.000
40176	CHADWICK 1T	1PDP	TX	PANOLA	CARTHAGE	0.498	326.691	0.147	96.781	0.389572	0.296247	85.475	63.001
40177	CHADWICK 2	1PDP	TX	PANOLA	CARTHAGE, S.	1.258	327.831	0.235	61.325	0.238857	0.187063	105.557	85.594

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

**HARBINGER GROUP INC**  
**OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC**  
**ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE**  
**EFFECTIVE DATE - JUNE 30, 2012**  
**SEC 2Q12 PRICING**

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES ID.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40178	CHADWICK 3	2PNP	TX	PANOLA	CARTHAGE, S.	0.818	41.639	0.266	13.531	0.399572	0.324965	7.320	5.976
40179	CHADWICK 4	1PDP	TX	PANOLA	CARTHAGE, S.	1.209	151.990	0.321	40.392	0.349086	0.265758	35.856	26.795
40180	CHADWICK 5	2PNP	TX	PANOLA	CARTHAGE, S.	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40181	CHADWICK 6	1PDP	TX	PANOLA	CARTHAGE, S.	3.735	243.093	0.699	45.474	0.399572	0.187063	-14.390	3.155
47127	CHANDLER 1 1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40182	CHANDLER 19-1	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.000	0.000	0.000	0.000	0.496827	0.393571	0.000	0.000
2038	CLARK 10 9 9	1PDP	TX	IRION	SUGG RANCH	30.298	64.407	22.924	48.730	0.970000	0.756600	1,987.212	1,177.358
2035	CLARK 10-2,3,4,5,6,7	1PDP	TX	IRION	SUGG RANCH	112.583	155.413	85.180	117.585	0.970000	0.756600	5,794.073	3,527.603
2044	CLARK 10-8	1PDP	TX	IRION	SUGG RANCH	21.428	33.321	16.212	25.211	0.970000	0.756600	1,203.866	754.827
2031	CLARK 10A 2 2	1PDP	TX	IRION	SUGG RANCH	16.314	33.736	12.396	25.634	0.970000	0.759833	938.914	615.303
1973	CLARK 10A-1	1PDP	TX	IRION	SUGG RANCH	16.282	9.271	12.372	7.044	0.970000	0.759833	662.963	429.707
2026	CLARK 10B 2 2	1PDP	TX	IRION	SUGG RANCH	6.861	22.908	5.214	17.406	0.970000	0.759833	377.556	278.727
2030	CLARK 10B-1	1PDP	TX	IRION	SUGG RANCH	23.299	90.439	17.703	68.719	0.970000	0.759833	1,821.116	1,006.434
35066	CLEVELAND WEST ET AL 20-1	1PDP	LA	JACKSON	VERNON	0.000	1,605.254	0.000	1,124.852	0.932417	0.700731	1,741.134	803.585
35256	CLYDE BOWDEN ET AL 19-1 A	1PDP	LA	JACKSON	VERNON	0.000	2,104.558	0.000	1,583.530	0.964176	0.763870	2,767.682	1,209.971
40183	COLEMAN 21-1	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40184	COLEMAN 21-2	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40185	COLEMAN 21-3	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.402265	0.327164	0.000	0.000
40186	COLEMAN 21-4	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.402265	0.327164	0.000	0.000
40187	COLEMAN 21-6	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.402265	0.327164	0.000	0.000
40188	COLEMAN 21-7	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40189	COLVIN 17-1	1PDP	LA	DE SOTO	KINGSTON	0.000	541.098	0.000	143.516	0.347606	0.265231	88.998	56.456
41511	COLVIN 17-1 BP	3BPB	LA	DE SOTO	KINGSTON	2.788	790.339	0.738	209.203	0.346882	0.264701	102.874	28.642
41193	COLVIN 17-2 (R)	1PDP	LA	DE SOTO	KINGSTON	0.804	267.326	0.213	70.903	0.345824	0.265231	36.810	31.170
40190	CONGER 22-1	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35147	CONN 26-1 ALT 229266	1PDP	LA	JACKSON	VERNON	0.000	25.237	0.000	20.142	1.000000	0.798101	2.955	2.861

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
 LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35226	CONTINENTAL 15-1 ALT 22960	1PDP	LA	JACKSON	VERNON	0.000	275.519	0.000	202.169	0.969173	0.733774	136.964	107.549
35216	CONTINENTAL 23-1 ALT 22964	1PDP	LA	JACKSON	VERNON	0.000	475.153	0.000	363.625	1.000000	0.765280	226.071	138.034
34888	COX 80A-1	1PDP	TX	IRION	SUGG RANCH	29.746	228.594	22.310	171.445	1.000000	0.750000	3,568.977	2,269.235
40192	CROCKER 7-1	1PDP	LA	DE SOTO	KINGSTON	0.000	527.588	0.000	120.439	0.292609	0.228282	54.770	35.195
40730	CROCKER 7-1 BP	3PBP	LA	DE SOTO	KINGSTON	2.796	792.334	0.643	182.261	0.292609	0.230031	110.891	36.127
38004	CUNYUS RANCH #1 1	1PDP	TX	GREGG	DANVILLE, EAST	0.000	0.000	0.000	0.000	0.500000	0.386998	0.000	0.000
40196	CURRIE 4	1PDP	TX	HARRISON	WASKOM	0.000	697.550	0.000	272.045	0.500000	0.390000	348.195	195.457
40197	CURRIE 5	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40198	CURRIE 6	1PDP	TX	HARRISON	WASKOM	0.047	24.674	0.018	9.623	0.500000	0.390000	2.197	2.068
40199	CURRIE 7	1PDP	TX	HARRISON	WASKOM	0.128	149.379	0.050	58.258	0.500000	0.390000	56.507	47.144
35013	DAKIN 21-1 ALT 226441	1PDP	LA	JACKSON	VERNON	0.000	872.680	0.000	625.819	0.950000	0.717123	651.506	340.255
35148	DAKIN 21-2 ALT 228404	1PDP	LA	JACKSON	VERNON	0.000	498.209	0.000	356.327	0.947428	0.715217	261.505	173.576
35258	DAKIN 21-3 ALT 230438	1PDP	LA	JACKSON	VERNON	0.000	849.726	0.000	609.358	0.950000	0.717123	637.950	353.530
35311	DAKIN 21-4 ALT 232765	1PDP	LA	JACKSON	VERNON	0.000	505.441	0.000	362.463	0.950000	0.717123	230.807	144.448
35259	DAKIN 21-5 ALT 230442	1PDP	LA	JACKSON	VERNON	2.023	352.649	1.451	252.892	0.950000	0.717123	199.384	143.280
35151	DAVIS BROS 10A-1 229501	1PDP	LA	JACKSON	VERNON	0.000	1,261.016	0.000	268.361	0.273490	0.212813	354.848	175.813
35356	DAVIS BROS 10A-2 ALT 23265	1PDP	LA	JACKSON	VERNON	0.000	471.455	0.000	100.332	0.273490	0.212813	90.279	62.470
35132	DAVIS BROS 11-1 226316	1PDP	LA	JACKSON	VERNON	0.000	1,021.969	0.000	409.549	0.522804	0.400745	534.120	268.556
35274	DAVIS BROS 11-2 ALT 230534	1PDP	LA	JACKSON	VERNON	0.000	1,323.473	0.000	530.375	0.522804	0.400745	760.208	361.054
35170	DAVIS BROS 11-3 ALT 230636	1PDP	LA	JACKSON	VERNON	0.000	1,097.565	0.000	824.018	0.998512	0.750769	1,070.809	522.166
35272	DAVIS BROS 11-4 ALT 233014	1PDP	LA	JACKSON	VERNON	0.000	21.168	0.000	8.483	0.522804	0.400745	3.631	3.544
35305	DAVIS BROS 12-1 ALT 231150	1PDP	LA	JACKSON	VERNON	0.000	636.856	0.000	60.537	0.126374	0.095056	63.215	41.134
35133	DAVIS BROS 12A-1 228881	1PDP	LA	JACKSON	VERNON	0.000	303.566	0.000	123.930	0.539682	0.408246	48.668	34.237
35129	DAVIS BROS 12B-1 ALT 22910	1PDP	LA	JACKSON	VERNON	0.000	676.810	0.000	271.228	0.522804	0.400745	271.602	152.968
35103	DAVIS BROS 12B-2 ALT 23054	1PDP	LA	JACKSON	VERNON	0.000	1,593.550	0.000	638.607	0.522804	0.400745	918.405	426.736
35064	DAVIS BROS 13-1 ALT 226131	1PDP	LA	JACKSON	VERNON	0.000	717.005	0.000	533.655	0.999364	0.744284	625.227	377.296

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.



**HARBINGER GROUP INC**  
**OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC**  
**ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE**  
**EFFECTIVE DATE - JUNE 30, 2012**  
**SEC 2Q12 PRICING**

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35200	DAVIS BROS 13-2 ALT 229730	1PDP	LA	JACKSON	VERNON	0.000	129.568	0.000	96.395	0.998878	0.743970	38.142	33.198
35251	DAVIS BROS 13-3 ALT 230694	1PDP	LA	JACKSON	VERNON	0.000	122.715	0.000	91.296	0.998878	0.743970	47.164	41.535
35268	DAVIS BROS 13-4 ALT 232258	1PDP	LA	JACKSON	VERNON	0.000	874.493	0.000	650.596	0.998878	0.743970	741.927	385.493
35253	DAVIS BROS 13-5 ALT 232406	1PDP	LA	JACKSON	VERNON	0.000	846.103	0.000	629.475	0.998878	0.743970	666.275	366.750
35269	DAVIS BROS 13-6 ALT 231338	1PDP	LA	JACKSON	VERNON	0.000	447.766	0.000	333.164	0.999364	0.744284	214.715	144.274
35329	DAVIS BROS 13-7 ALT 233576	1PDP	LA	JACKSON	VERNON	0.000	1,592.717	0.000	1,184.934	0.998878	0.743970	1,686.704	784.647
35128	DAVIS BROS 14B-1 229237	1PDP	LA	JACKSON	VERNON	0.682	115.250	0.512	86.526	0.998512	0.750769	89.967	79.445
35252	DAVIS BROS 14C-1 ALT 23099	1PDP	LA	JACKSON	VERNON	0.000	551.261	0.000	410.294	0.998878	0.743970	333.037	204.113
35266	DAVIS BROS 14C-2 ALT 23417	1PDP	LA	JACKSON	VERNON	0.000	637.892	0.000	475.178	0.999364	0.744919	431.778	247.039
35143	DAVIS BROS 15A-1 227079	1PDP	LA	JACKSON	VERNON	0.000	275.612	0.000	216.940	1.000000	0.787120	106.901	77.631
35059	DAVIS BROS 15B-1 ALT 22747	1PDP	LA	JACKSON	VERNON	0.000	1,071.506	0.000	821.344	0.978198	0.766533	1,110.286	585.887
35334	DAVIS BROS 15B-2 ALT 23349	1PDP	LA	JACKSON	VERNON	0.000	116.860	0.000	89.697	0.979164	0.767565	38.415	33.720
35169	DAVIS BROS 16-1 228662	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35131	DAVIS BROS 17A-1 ALT 22900	1PDP	LA	JACKSON	VERNON	0.000	923.604	0.000	617.151	0.890539	0.668198	750.525	389.567
35092	DAVIS BROS 17B-1 ALT 23005	1PDP	LA	JACKSON	VERNON	0.000	1,145.882	0.000	865.649	1.000000	0.755444	1,155.920	558.406
35318	DAVIS BROS 17C-1 ALT 23151	1PDP	LA	JACKSON	VERNON	0.000	141.233	0.000	105.925	1.000000	0.750000	62.661	54.525
35428	DAVIS BROS 17C-2 ALT 23778	1PDP	LA	JACKSON	VERNON	0.000	1,248.338	0.000	992.401	1.000000	0.800000	1,380.576	745.229
35136	DAVIS BROS 18-1 226957	1PDP	LA	JACKSON	VERNON	0.000	1,553.547	0.000	1,242.838	1.000000	0.800000	1,707.313	784.339
35412	DAVIS BROS 18-2 ALT 238103	1PDP	LA	JACKSON	VERNON	0.000	349.865	0.000	279.892	1.000000	0.800000	161.728	122.278
35192	DAVIS BROS 18A-1 ALT 23004	1PDP	LA	JACKSON	VERNON	0.000	979.143	0.000	739.688	1.000000	0.755444	904.200	457.940
35294	DAVIS BROS 18B-1 226963	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35074	DAVIS BROS 19-1 ALT 229109	1PDP	LA	JACKSON	VERNON	0.000	629.087	0.000	480.540	0.964176	0.763870	461.532	251.043
35079	DAVIS BROS 19-2 ALT 230690	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.964176	0.763870	0.000	0.000
35310	DAVIS BROS 19A-1 ALT 23161	1PDP	LA	JACKSON	VERNON	0.000	1,548.768	0.000	1,208.239	1.000000	0.780129	1,951.359	1,109.569
35051	DAVIS BROS 20-1 ALT 225683	1PDP	LA	JACKSON	VERNON	0.000	421.162	0.000	295.121	0.932417	0.700731	278.112	205.449
35205	DAVIS BROS 20-2 ALT 229239	1PDP	LA	JACKSON	VERNON	0.000	1,551.828	0.000	1,087.414	0.932417	0.700731	1,507.354	699.848

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
 LEE KEELING AND ASSOCIATES, INC.

**HARBINGER GROUP INC**  
**OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC**  
**ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE**  
**EFFECTIVE DATE - JUNE 30, 2012**  
**SEC 2Q12 PRICING**

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
52000	DAVIS BROS 20-2 ALT (CLEAN	2PNP	LA	JACKSON	VERNON	0.000	-1,687.521	0.000	-1,182.498	0.932417	0.700731	-1,691.571	-704.577
51999	DAVIS BROS 20-2 ALT (CLEAN	2PNP	LA	JACKSON	VERNON	0.000	1,860.796	0.000	1,303.918	0.932417	0.700731	1,673.014	655.056
35204	DAVIS BROS 20-3 ALT 229365	1PDP	LA	JACKSON	VERNON	0.000	487.766	0.000	341.793	0.932417	0.700731	328.950	223.434
35309	DAVIS BROS 20-4 ALT 233126	1PDP	LA	JACKSON	VERNON	0.000	1,330.224	0.000	932.907	0.933168	0.701315	1,220.410	613.050
35392	DAVIS BROS 20A-1 235868	1PDP	LA	JACKSON	VERNON	0.000	335.781	0.000	239.735	0.956280	0.713961	172.846	132.463
50693	DAVIS BROS 20A-1 (CLEANOU	2PNP	LA	JACKSON	VERNON	0.000	-1,507.234	0.000	-1,076.106	0.956280	0.713961	-1,469.635	-625.904
50692	DAVIS BROS 20A-1 (CLEANOU	2PNP	LA	JACKSON	VERNON	0.000	2,019.065	0.000	1,441.534	0.956280	0.713961	1,701.514	459.810
35867	DAVIS BROS 20A-2 ALT 23725	1PDP	LA	JACKSON	VERNON	0.000	590.903	0.000	415.135	0.942227	0.702543	406.701	274.587
35429	DAVIS BROS 20A-3 ALT 23725	1PDP	LA	JACKSON	VERNON	0.000	1,492.486	0.000	1,048.535	0.942227	0.702543	1,432.639	706.412
36272	DAVIS BROS 20A-4 ALT 23753	1PDP	LA	JACKSON	VERNON	0.000	850.302	0.000	597.374	0.942227	0.702543	615.510	336.588
35018	DAVIS BROS 21-1 ALT 227829	1PDP	LA	JACKSON	VERNON	0.000	617.942	0.000	441.963	0.947428	0.715217	381.477	221.608
35350	DAVIS BROS 21A-1 ALT 23271	1PDP	LA	JACKSON	VERNON	0.000	672.590	0.000	471.698	0.933168	0.701315	563.632	366.548
35014	DAVIS BROS 22-1 ALT 225405	1PDP	LA	JACKSON	VERNON	0.000	367.642	0.000	281.349	1.000000	0.765280	115.831	78.309
35019	DAVIS BROS 22A-1 ALT 22783	1PDP	LA	JACKSON	VERNON	0.000	537.699	0.000	384.571	0.947428	0.715217	303.280	179.596
35105	DAVIS BROS 26-1 225932	1PDP	LA	JACKSON	VERNON	0.000	865.026	0.000	690.378	1.000000	0.798101	810.516	420.675
35106	DAVIS BROS 26A-1 228554	1PDP	LA	JACKSON	VERNON	0.000	1.726	0.000	1.202	0.905861	0.696243	0.033	0.033
53685	DAVIS BROS 26A-1 (CLEANOU	2PNP	LA	JACKSON	VERNON	0.000	-70.460	0.000	-49.057	0.905861	0.696243	-13.548	-7.847
53684	DAVIS BROS 26A-1 (CLEANOU	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35164	DAVIS BROS 26A-2 ALT 23021	1PDP	LA	JACKSON	VERNON	0.000	67.592	0.000	47.061	0.905861	0.696243	20.072	18.595
35409	DAVIS BROS 26A-3 ALT 23674	1PDP	LA	JACKSON	VERNON	0.000	767.610	0.000	591.130	1.000000	0.770092	616.914	341.370
35112	DAVIS BROS 27-1 226655	1PDP	LA	JACKSON	VERNON	0.000	647.142	0.000	491.445	1.000000	0.759408	437.602	239.634
35114	DAVIS BROS 28-1 226864	1PDP	LA	JACKSON	VERNON	0.000	1,458.230	0.000	1,110.677	1.000000	0.761661	1,512.692	710.636
35118	DAVIS BROS 28-2 ALT 227055	1PDP	LA	JACKSON	VERNON	0.000	457.753	0.000	348.652	1.000000	0.761661	221.820	152.513
52002	DAVIS BROS 28-2 ALT (CLEAN	2PNP	LA	JACKSON	VERNON	0.000	-1,634.535	0.000	-1,244.962	1.000000	0.761661	-1,809.214	-820.540
52001	DAVIS BROS 28-2 ALT (CLEAN	2PNP	LA	JACKSON	VERNON	0.000	2,209.749	0.000	1,683.080	1.000000	0.761661	2,079.661	608.142
35119	DAVIS BROS 28-3 ALT 227833	1PDP	LA	JACKSON	VERNON	0.000	466.503	0.000	355.317	1.000000	0.761661	229.217	148.751

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
 LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35117	DAVIS BROS 28-4 ALT 228313	1PDP	LA	JACKSON	VERNON	0.000	521.217	0.000	396.990	1.000000	0.761661	316.914	191.373
35116	DAVIS BROS 28-5 ALT 229644	1PDP	LA	JACKSON	VERNON	0.000	281.406	0.000	214.336	1.000000	0.761661	80.825	60.306
35190	DAVIS BROS 28-6 ALT 229643	1PDP	LA	JACKSON	VERNON	0.000	1,169.196	0.000	890.531	1.000000	0.761661	1,248.698	729.338
35260	DAVIS BROS 28-7 ALT 230946	1PDP	LA	JACKSON	VERNON	0.000	1,523.652	0.000	1,160.506	1.000000	0.761661	1,711.350	790.449
50773	DAVIS BROS 28-7 ALT (CLEAN	2PNP	LA	JACKSON	VERNON	0.000	-1,685.872	0.000	-1,284.063	1.000000	0.761661	-2,007.473	-674.633
50772	DAVIS BROS 28-7 ALT (CLEAN	2PNP	LA	JACKSON	VERNON	0.000	1,797.656	0.000	1,369.205	1.000000	0.761661	2,095.139	885.154
35288	DAVIS BROS 28-8 ALT 231832	1PDP	LA	JACKSON	VERNON	0.000	844.154	0.000	642.959	1.000000	0.761661	702.882	379.460
35287	DAVIS BROS 28-9 ALT 231833	1PDP	LA	JACKSON	VERNON	0.000	527.928	0.000	402.026	1.000000	0.761661	344.218	231.626
35877	DAVIS BROS 28A-1 ALT 23762	1PDP	LA	JACKSON	VERNON	0.000	1,740.190	0.000	965.559	0.732736	0.554858	1,602.080	889.774
36321	DAVIS BROS 28A-2 ALT 23897	1PDP	LA	JACKSON	VERNON	0.000	83.005	0.000	49.034	0.782176	0.590736	16.503	14.940
35052	DAVIS BROS 29-1 225562	1PDP	LA	JACKSON	VERNON	0.000	4,092.015	0.000	3,151.567	1.000000	0.770175	5,713.335	2,331.198
35193	DAVIS BROS 29-10 ALT 232431	1PDP	LA	JACKSON	VERNON	0.000	1,296.315	0.000	998.388	1.000000	0.770174	1,339.419	730.637
35357	DAVIS BROS 29-11 ALT 233985	1PDP	LA	JACKSON	VERNON	0.000	2,037.891	0.000	1,569.377	1.000000	0.770174	2,411.293	1,122.752
35407	DAVIS BROS 29-12 ALT 236157	1PDP	LA	JACKSON	VERNON	0.000	1,951.135	0.000	1,502.715	1.000000	0.770175	2,262.466	1,044.975
35980	DAVIS BROS 29-13 ALT 238683	1PDP	LA	JACKSON	VERNON	0.000	2,087.738	0.000	1,607.921	1.000000	0.770174	2,473.293	1,170.243
35125	DAVIS BROS 29-2 ALT 226742	1PDP	LA	JACKSON	VERNON	0.000	2,149.200	0.000	1,655.260	1.000000	0.770175	2,587.993	1,190.427
35126	DAVIS BROS 29-3 ALT 227247	1PDP	LA	JACKSON	VERNON	0.000	1,003.656	0.000	772.991	1.000000	0.770175	897.222	495.826
35122	DAVIS BROS 29-4 ALT 227640	1PDP	LA	JACKSON	VERNON	0.000	1,419.494	0.000	1,093.259	1.000000	0.770175	1,485.496	736.633
35120	DAVIS BROS 29-5 ALT 227641	1PDP	LA	JACKSON	VERNON	0.000	1,420.615	0.000	1,094.122	1.000000	0.770175	1,458.555	694.788
35191	DAVIS BROS 29-6 ALT 229187	1PDP	LA	JACKSON	VERNON	0.000	1,510.782	0.000	1,163.565	1.000000	0.770174	1,605.287	809.439
35195	DAVIS BROS 29-8 ALT 229669	1PDP	LA	JACKSON	VERNON	0.000	1,307.671	0.000	1,007.134	1.000000	0.770174	1,302.940	657.915
35194	DAVIS BROS 29-9 ALT 229670	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35142	DAVIS BROS 30-1 227788	1PDP	LA	JACKSON	VERNON	0.000	895.097	0.000	673.278	0.988084	0.752185	854.312	519.961
35642	DAVIS BROS 30-10 ALT 234341	1PDP	LA	JACKSON	VERNON	0.000	1,431.885	0.000	1,077.043	0.988084	0.752185	1,666.796	961.413
35153	DAVIS BROS 30-2 ALT 228066	1PDP	LA	JACKSON	VERNON	0.000	922.289	0.000	693.732	0.988084	0.752185	751.083	411.686
35140	DAVIS BROS 30-3 ALT 228296	1PDP	LA	JACKSON	VERNON	0.000	1,990.860	0.000	1,497.495	0.988084	0.752185	2,431.072	1,102.371

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35141	DAVIS BROS 30-4 ALT 228371	1PDP	LA	JACKSON	VERNON	0.000	1,545,367	0.000	1,162,402	0.988084	0.752185	1,606,834	760,361
35196	DAVIS BROS 30-6 ALT 229188	1PDP	LA	JACKSON	VERNON	0.000	1,560,904	0.000	1,174,089	0.988084	0.752185	1,816,896	1,022,440
35263	DAVIS BROS 30-8 ALT 232919	1PDP	LA	JACKSON	VERNON	0.000	1,855,789	0.000	1,245,460	0.988084	0.752185	1,771,621	846,250
35040	DAVIS BROS 3-1 224851	1PDP	LA	JACKSON	VERNON	0.000	267,148	0.000	199,775	1.000000	0.747806	114,980	88,600
35137	DAVIS BROS 31-1 227053	1PDP	LA	JACKSON	VERNON	0.000	166,441	0.000	124,831	1.000000	0.750000	38,664	32,214
35818	DAVIS BROS 32-1 237217	1PDP	LA	JACKSON	VERNON	0.000	937,637	0.000	703,228	1.000000	0.750000	726,595	392,155
35127	DAVIS BROS 33-1 226315	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
36401	DAVIS BROS 35-1 238184	1PDP	LA	JACKSON	VERNON	0.000	3,105,807	0.000	69,930	0.031056	0.022516	129,955	69,756
35336	DAVIS BROS 6A-1 231748	1PDP	LA	JACKSON	VERNON	0.000	1,345,562	0.000	585,251	0.563269	0.434949	845,161	400,181
35237	DAVIS BROS 8-1 ALT 230229	1PDP	LA	JACKSON	VERNON	0.000	432,050	0.000	341,538	1.000000	0.790505	320,064	230,400
35276	DAVIS BROS 8-2 ALT 230787	1PDP	LA	JACKSON	VERNON	0.000	610,306	0.000	481,687	1.000000	0.789254	465,794	266,235
35370	DAVIS BROS 8-3 ALT 234543	1PDP	LA	JACKSON	VERNON	0.000	1,314,690	0.000	1,037,624	1.000000	0.789254	1,441,811	681,085
35029	DAVIS BROS A-1 177722	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35001	DAVIS BROS E-1 181510	1PDP	LA	JACKSON	VERNON	0.358	1,150,433	0.282	844,158	0.969173	0.733774	1,228,156	593,598
35032	DAVIS BROS E-2 ALT 216569	1PDP	LA	JACKSON	VERNON	0.000	212,243	0.000	160,048	1.000000	0.754077	141,787	117,578
35015	DAVIS BROS E-3 ALT 224730	1PDP	LA	JACKSON	VERNON	0.000	204,835	0.000	155,052	1.000000	0.757699	107,321	87,886
35182	DAVIS BROS E-4 ALT 229192	1PDP	LA	JACKSON	VERNON	0.000	747,440	0.000	548,452	0.969173	0.733774	586,997	334,013
35002	DAVIS BROS G-1 183230	1PDP	LA	JACKSON	VERNON	0.000	383,011	0.000	272,363	0.935714	0.711109	278,847	201,667
35033	DAVIS BROS G-2 ALT 218614	1PDP	LA	JACKSON	VERNON	0.000	56,635	0.000	40,274	0.935714	0.711109	11,791	10,953
35295	DAVIS BROS G-3 ALT 229642	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.935714	0.711109	0.000	0.000
35250	DAVIS BROS G-4 ALT 231301	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.935714	0.711109	0.000	0.000
54145	DAVIS BROS G-4 ALT (BASE C	2PNP	LA	JACKSON	VERNON	0.000	-301,421	0.000	-214,343	0.935714	0.711109	-96,461	-68,605
54144	DAVIS BROS G-4 ALT (WO CA	2PNP	LA	JACKSON	VERNON	0.000	1,077,061	0.000	765,908	0.935714	0.711109	887,561	352,584
35321	DAVIS BROS G-5 ALT 232879	1PDP	LA	JACKSON	VERNON	0.000	1,434,489	0.000	1,020,078	0.935714	0.711109	1,410,347	678,955
35322	DAVIS BROS G-6 ALT 232834	1PDP	LA	JACKSON	VERNON	0.000	365,708	0.000	276,666	1.000000	0.756522	226,053	163,712
35030	DAVIS BROS H-1 183614	1PDP	LA	JACKSON	VERNON	0.000	32,749	0.000	23,816	0.932417	0.727228	4,913	4,693

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

**HARBINGER GROUP INC**  
**OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC**  
**ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE**  
**EFFECTIVE DATE - JUNE 30, 2012**  
**SEC 2Q12 PRICING**

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35003	DAVIS BROS J-1 187153	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.880703	0.682088	0.000	0.000
35007	DAVIS BROS J-10 ALT 232430	1PDP	LA	JACKSON	VERNON	0.000	1,650.643	0.000	1,127.690	0.882162	0.683182	1,704.169	848.359
35008	DAVIS BROS J-11 ALT 231812	1PDP	LA	JACKSON	VERNON	0.000	107.710	0.000	78.250	0.913412	0.707921	43.749	39.092
53380	DAVIS BROS J-11 ALT (BASE C	2PNP	LA	JACKSON	VERNON	0.000	-568.308	0.000	-402.317	0.913412	0.707921	-343.171	-204.419
53332	DAVIS BROS J-11 ALT (WO CA	2PNP	LA	JACKSON	VERNON	0.000	1,244.588	0.000	881.070	0.913412	0.707921	1,113.412	458.828
35292	DAVIS BROS J-12 ALT 230383	2PNP	LA	JACKSON	VERNON	0.000	12.105	0.000	8.569	0.913412	0.707921	0.803	0.751
35319	DAVIS BROS J-13 ALT 232671	1PDP	LA	JACKSON	VERNON	0.000	622.603	0.000	440.754	0.913412	0.707921	430.544	257.880
52008	DAVIS BROS J-13 ALT (CLEAN	2PNP	LA	JACKSON	VERNON	0.000	-754.171	0.000	-514.587	0.913412	0.707921	-576.823	-219.775
52007	DAVIS BROS J-13 ALT (CLEAN	2PNP	LA	JACKSON	VERNON	0.000	1,534.503	0.000	1,046.900	0.913412	0.707921	1,060.738	178.253
35332	DAVIS BROS J-14 ALT 233127	1PDP	LA	JACKSON	VERNON	0.000	856.834	0.000	606.571	0.913412	0.707921	656.566	354.170
35998	DAVIS BROS J-15 ALT 239012	1PDP	LA	JACKSON	VERNON	0.000	725.743	0.000	547.647	0.980859	0.754601	635.785	412.385
35037	DAVIS BROS J-2 ALT 216808	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35011	DAVIS BROS J-4 ALT 224056	1PDP	LA	JACKSON	VERNON	0.000	117.840	0.000	80.377	0.880703	0.682088	40.994	35.880
35026	DAVIS BROS J-5 ALT 226466	1PDP	LA	JACKSON	VERNON	0.000	248.617	0.000	176.001	0.913412	0.707921	188.945	156.595
35009	DAVIS BROS J-6 ALT 226395	1PDP	LA	JACKSON	VERNON	0.000	996.531	0.000	680.812	0.882162	0.683182	877.401	449.503
35025	DAVIS BROS J-7 ALT 226270	1PDP	LA	JACKSON	VERNON	0.000	469.373	0.000	320.667	0.882162	0.683182	284.758	203.085
35076	DAVIS BROS J-8 ALT 227617	1PDP	LA	JACKSON	VERNON	0.000	765.703	0.000	522.277	0.880703	0.682088	556.939	317.682
35172	DAVIS BROS J-9 ALT 229003	1PDP	LA	JACKSON	VERNON	0.000	1,215.106	0.000	830.139	0.882162	0.683182	1,071.330	536.013
35004	DAVIS BROS K-1 ALT 188632	1PDP	LA	JACKSON	VERNON	0.000	315.229	0.000	235.456	0.959311	0.746936	197.072	146.964
35021	DAVIS BROS K-2 ALT 225157	1PDP	LA	JACKSON	VERNON	0.000	734.744	0.000	514.858	0.932417	0.700731	534.343	294.083
35036	DAVIS BROS Q-1 ALT 220192	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35053	DAVIS BROS Q-2 ALT 225635	1PDP	LA	JACKSON	VERNON	0.000	97.702	0.000	65.227	0.895833	0.667614	33.796	30.360
35046	DAVIS BROS Q-3 ALT 226343	1PDP	LA	JACKSON	VERNON	0.000	516.172	0.000	384.930	1.000000	0.745739	295.388	189.369
53683	DAVIS BROS Q-3 ALT (CLEAN	2PNP	LA	JACKSON	VERNON	0.000	-57.138	0.000	-42.610	1.000000	0.745739	-10.162	-8.363
53682	DAVIS BROS Q-3 ALT (CLEAN	2PNP	LA	JACKSON	VERNON	0.000	889.192	0.000	663.105	1.000000	0.745739	407.967	82.804
35212	DAVIS BROS Q-4 ALT 229442	1PDP	LA	JACKSON	VERNON	0.000	796.871	0.000	532.003	0.895833	0.667614	584.915	314.048

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
 LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES ID.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35220	DAVIS BROS Q-5 ALT 230000	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.895833	0.667614	0.000	0.000
35227	DAVIS BROS Q-6 ALT 229971	1PDP	LA	JACKSON	VERNON	0.000	575.171	0.000	383.992	0.895833	0.667614	331.515	199.842
35232	DAVIS BROS Q-7 ALT 230046	1PDP	LA	JACKSON	VERNON	0.000	1,123.814	0.000	750.274	0.895833	0.667614	903.371	461.166
35348	DAVIS BROS Q-8 ALT 232485	1PDP	LA	JACKSON	VERNON	0.000	842.696	0.000	562.596	0.895833	0.667614	622.156	324.505
35330	DAVIS BROS Q-9 ALT 233491	1PDP	LA	JACKSON	VERNON	0.000	1,322.144	0.000	882.682	0.895833	0.667614	1,139.969	552.633
35047	DAVIS HEIRS 12-1 225121	1PDP	LA	JACKSON	VERNON	0.000	510.636	0.000	340.908	0.895833	0.667614	236.956	146.064
35210	DAVIS HEIRS 12-2 ALT 229364	1PDP	LA	JACKSON	VERNON	0.000	843.405	0.000	563.069	0.895833	0.667614	640.724	344.789
35215	DAVIS HEIRS 12-3 ALT 229995	1PDP	LA	JACKSON	VERNON	0.000	807.311	0.000	538.972	0.895833	0.667614	602.270	337.249
35240	DAVIS HEIRS 19-1 ALT 230947	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	1.000000	0.780943	0.000	0.000
35088	DAVIS LUMBER 10-1 ALT 2278	1PDP	LA	JACKSON	VERNON	0.000	3,213.653	0.000	2,245.257	0.918183	0.698662	3,939.335	1,647.957
35174	DAVIS LUMBER 10-3 ALT 2291	1PDP	LA	JACKSON	VERNON	0.000	2,933.287	0.000	2,049.377	0.918183	0.698662	3,509.486	1,546.116
35999	DAVIS LUMBER 10-5 ALT 2369	1PDP	LA	JACKSON	VERNON	0.000	1,118.082	0.000	782.906	0.920265	0.700222	1,060.450	538.939
53887	DAVIS LUMBER 10-5 ALT (CLE	2PNP	LA	JACKSON	VERNON	0.000	-1,388.348	0.000	-972.152	0.920265	0.700222	-1,430.574	-565.155
53886	DAVIS LUMBER 10-5 ALT (CLE	2PNP	LA	JACKSON	VERNON	0.000	2,044.015	0.000	1,431.265	0.920265	0.700222	1,827.721	440.975
35062	DAVIS LUMBER 11-1 227470	1PDP	LA	JACKSON	VERNON	0.000	454.683	0.000	317.670	0.918183	0.698662	315.178	236.511
35071	DAVIS LUMBER 11-2 ALT 2278	1PDP	LA	JACKSON	VERNON	0.000	2,343.057	0.000	1,639.555	0.920264	0.700222	2,853.304	1,306.132
35176	DAVIS LUMBER 11-3 ALT 2326	1PDP	LA	JACKSON	VERNON	0.000	833.190	0.000	588.156	0.927846	0.705908	749.058	493.784
35298	DAVIS LUMBER 11-4 ALT 2310	1PDP	LA	JACKSON	VERNON	0.000	1,110.533	0.000	778.487	0.921305	0.701003	1,030.517	504.454
40200	DEMENT 9-1	1PDP	LA	DE SOTO	KINGSTON	0.358	499.223	0.095	132.663	0.350512	0.265738	57.111	44.958
40949	DILLARD 13 #1	1PDP	LA	DE SOTO	KINGSTON	0.000	560.913	0.000	193.835	0.454385	0.345570	102.532	67.069
40202	DILLARD 17-1	1PDP	LA	DE SOTO	CASPIANA	0.000	103.742	0.000	36.831	0.461417	0.355026	8.562	7.745
40201	DILLARD 17-2	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40965	DILLARD 17-3	1PDP	LA	DE SOTO	CASPIANA	0.000	326.132	0.000	115.785	0.461417	0.355026	40.094	30.451
40903	DILLARD 17-4	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.461417	0.355026	0.000	0.000
41513	DILLARD 19-1 (R)	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41007	DONNER PROP 33-1	1PDP	LA	DE SOTO	HOLLY	0.540	1,252.629	0.118	272.799	0.289226	0.217781	228.016	124.699

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
41700	DONNER PROP 33-1 BP 1	3BPB	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41009	DONNER PROP 33-2	1PDP	LA	DE SOTO	HOLLY	2.870	874.449	0.625	190.438	0.269326	0.217781	179.081	106.008
41702	DONNER PROP 33-2 BP1	3BPB	LA	DE SOTO	HOLLY	2.772	785.805	0.797	225.860	0.401250	0.287425	82.376	10.083
42064	DONNER PROP 4-1 (R)	1PDP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.302212	0.223912	0.000	0.000
40966	DONNER PROP 4-2	1PDP	LA	DE SOTO	KINGSTON	1.429	781.204	0.349	190.955	0.331700	0.244437	123.718	83.374
40985	DONNER PROP 4-3	1PDP	LA	DE SOTO	HOLLY	0.145	46.720	0.032	10.461	0.331850	0.223912	0.704	0.686
41846	DONNER PROP 4-3 BP1	3BPB	LA	DE SOTO	HOLLY	2.779	787.591	0.676	191.660	0.331850	0.243350	82.109	14.681
41023	DONNER PROP 4-4	1PDP	LA	DE SOTO	KINGSTON	0.130	293.509	0.029	65.720	0.331850	0.223912	19.966	17.093
41836	DONNER PROP 4-4 BP1	3BPB	LA	DE SOTO	KINGSTON	2.779	787.591	0.676	191.660	0.331850	0.243350	82.109	14.681
40205	DOUGLAS E A UN 1 NP	1PDP	TX	PANOLA	BETHANY	0.000	0.000	0.000	0.000	0.500000	0.375000	0.000	0.000
40889	DOUGLAS EST 11-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40209	DOWNER 1	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.500000	0.385000	0.000	0.000
40210	DOWNER 2	1PDP	TX	HARRISON	WASKOM	0.152	49.514	0.056	18.073	0.500000	0.385000	6.780	6.158
43133	DOWNER 4 CV	1PDP	TX	HARRISON	WASKOM	0.000	2.893	0.000	1.056	0.500000	0.385000	0.099	0.099
40211	DUNN 6-1	1PDP	LA	DE SOTO	CASPIANA	0.000	535.926	0.000	71.565	0.189284	0.133536	32.573	24.204
35282	E W HARVEY 36-1 ALT 230634	1PDP	LA	JACKSON	VERNON	0.000	736.196	0.000	378.749	0.671935	0.523468	391.676	207.595
35017	EDWIN SOUR ET AL 7-1 ALT 2	1PDP	LA	JACKSON	VERNON	0.000	441.056	0.000	348.665	1.000000	0.790505	332.957	230.622
35173	EDWIN SOUR ET AL 7-2 ALT 2	1PDP	LA	JACKSON	VERNON	0.000	977.918	0.000	773.049	1.000000	0.790505	1,115.870	661.390
35189	EDWIN SOUR ET AL 7-3 ALT 2	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	1.000000	0.790505	0.000	0.000
35353	EDWIN SOUR ET AL 7-4 ALT 2	1PDP	LA	JACKSON	VERNON	0.000	1,265.672	0.000	1,000.520	1.000000	0.790505	1,340.649	654.967
40212	ELDRIDGE-BIVINS 1	2PNP	TX	HARRISON	WOODLAWN	4.560	380.000	1.778	148.200	0.500000	0.390000	234.853	129.324
35123	ELEANOR BROWN 29-1 ALT 22	1PDP	LA	JACKSON	VERNON	0.000	2,092.203	0.000	1,611.360	1.000000	0.770174	2,719.435	1,291.758
40213	ELLERBE HEIRS 1	2PNP	LA	CADDO	GREENWOOD-WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40214	ELLIOTT 10-1	1PDP	LA	CADDO	LONGWOOD	0.082	7.218	0.029	2.550	0.445265	0.353302	1.027	1.006
40215	ELLIOTT 12-1	1PDP	LA	CADDO	LONGWOOD	0.838	17.613	0.327	6.873	0.481955	0.390194	9.219	8.592
41780	ELT FOREST 2-1	1PDP	LA	DE SOTO	KINGSTON	0.908	573.474	0.006	3.584	0.007813	0.006250	1.928	1.299

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40216	ELT RESOURCES 20-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35101	ERW CORP 8-1 ALT 228977	1PDP	LA	JACKSON	VERNON	0.000	212.082	0.000	167.652	1.000000	0.790505	61.025	47.089
41235	ETHAL WARE 12-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40897	EVANS 13-1	1PDP	LA	DE SOTO	KINGSTON	0.000	109.448	0.000	41.683	0.498480	0.390846	5.265	4.928
40217	EVANS 9-1	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.340234	0.234975	0.000	0.000
40218	EVERETT 1	2PNP	TX	HARRISON	BETHANY	4.039	160.479	1.424	56.569	0.470000	0.352500	93.471	60.132
40220	EVERETT 3	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35179	EWING 12-1 ALT 229504	1PDP	LA	JACKSON	VERNON	0.000	848.950	0.000	677.838	1.000000	0.798443	802.128	428.020
35323	EWING 19-1 ALT 231449	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	1.000000	0.780943	0.000	0.000
42551	FARRIS 24-1	1PDP	LA	DE SOTO	HOLLY	0.000	507.149	0.000	196.125	0.479625	0.386720	127.551	84.900
42714	FARRIS 24-1 BP1	3BPB	LA	DE SOTO	HOLLY	2.801	793.820	1.084	307.121	0.479687	0.388890	206.259	61.921
42552	FARRIS 24-2	1PDP	LA	DE SOTO	HOLLY	0.000	678.190	0.000	262.311	0.479687	0.386782	204.744	121.277
42715	FARRIS 24-2 BP1	3BPB	LA	DE SOTO	HOLLY	2.801	793.820	1.084	307.121	0.479687	0.388890	206.259	66.509
50005	FINGERLE 25 H-2 CVHZ	1PDP	LA	DE SOTO	HOLLY	0.000	2,190.786	0.000	130.577	0.064534	0.059603	154.394	79.157
35023	FISHER 15-1 ALT 225158	1PDP	LA	JACKSON	VERNON	0.000	1,588.777	0.000	1,203.815	1.000000	0.757699	1,826.511	863.190
35016	FISHER 16-1 ALT 224274	1PDP	LA	JACKSON	VERNON	0.000	64.416	0.000	47.267	0.969173	0.733774	29.566	27.663
35144	FISHER 16-2 ALT 227246	1PDP	LA	JACKSON	VERNON	0.000	488.604	0.000	358.525	0.969173	0.733774	351.152	249.691
35209	FISHER 16-3 ALT 229604	1PDP	LA	JACKSON	VERNON	0.000	629.347	0.000	476.855	1.000000	0.757699	565.999	357.343
38007	FLHT OU #1-01	1PDP	TX	GREGG	DANVILLE	1.043	19.760	0.396	7.511	0.497435	0.380110	9.667	8.877
40968	FLORSHEIM 18-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41692	FLORSHEIM 18-2 (R)	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40221	FLOURNOY 19-1	1PDP	LA	DE SOTO	HOLLY	1.859	846.434	0.499	227.357	0.358142	0.268606	169.247	97.030
40222	FLOURNOY 19-2	1PDP	LA	DE SOTO	HOLLY	0.000	358.337	0.000	96.251	0.358142	0.268606	27.597	20.235
40734	FLOURNOY 19-2 BP1	3BPB	LA	DE SOTO	HOLLY	2.785	789.295	0.748	212.009	0.358142	0.268606	103.465	30.721
40223	FLOURNOY 20-1	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40224	FLOURNOY 20-2	1PDP	LA	DE SOTO	HOLLY	0.750	772.227	0.220	226.691	0.395000	0.293555	149.229	87.104

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.



HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40225	FLOURNOY 20-4	1PDP	LA	DE SOTO	HOLLY	1.431	469.833	0.406	133.274	0.377500	0.283662	70.243	46.586
40226	FLOURNOY 20-5	1PDP	LA	DE SOTO	HOLLY	0.945	228.890	0.325	78.751	0.464355	0.344056	52.329	45.835
40227	FLOURNOY 20-6	1PDP	LA	DE SOTO	HOLLY	0.000	183.019	0.000	53.449	0.395000	0.292040	6.972	6.064
41057	FLOURNOY 20-7	1PDP	LA	DE SOTO	HOLLY	0.000	14.343	0.000	4.958	0.466500	0.345665	0.344	0.338
41883	FLOURNOY 20-7 BP1	3BPB	LA	DE SOTO	HOLLY	2.782	788.376	0.961	272.514	0.466500	0.345665	112.641	15.758
35162	FLOYD OSBOURNE SR 25-1 A	1PDP	LA	JACKSON	VERNON	0.000	2,106.707	0.000	1,488.017	0.926710	0.706324	2,312.114	1,070.150
40228	FONVILLE 1	1PDP	TX	PANOLA	BETHANY	0.000	42.968	0.000	16.113	0.500000	0.375000	10.946	10.183
40229	FONVILLE 2	1PDP	TX	PANOLA	BETHANY	0.000	146.259	0.000	55.534	0.500000	0.379695	48.059	37.192
40173	FORT CARRIE UNIT 1	1PDP	TX	PANOLA	BETHANY	0.000	219.823	0.000	83.533	0.500000	0.380000	75.209	56.367
40230	FOSTER-JACKSON 1	2PNP	TX	PANOLA	BETHANY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41327	FREE 3-1 ALT	1PDP	LA	DE SOTO	KINGSTON	0.000	232.967	0.000	18.686	0.104605	0.080210	6.207	5.243
43189	FREE 3-1 BP1	3BPB	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40970	FRIERSON 5-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
42047	FRITH 29 #1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40231	FROST LUMBER CO IT	1PDP	TX	HARRISON	WASKOM	0.000	700.585	0.000	280.883	0.500000	0.400927	370.651	216.512
40232	FULLER 25-1 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	8.030	0.000	0.439	0.064534	0.054650	0.037	0.036
40233	FULLER 35-1 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.039907	0.031885	0.000	0.000
40234	FULLER HEIRS 35-1	1PDP	LA	DE SOTO	HOLLY	0.000	557.456	0.000	17.774	0.039907	0.031885	7.037	4.525
40236	FULLER HEIRS 35-2	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.039907	0.031885	0.000	0.000
40237	FULLER, B 24-1	1PDP	LA	DE SOTO	HOLLY	0.940	411.343	0.396	160.119	0.479625	0.389259	182.264	143.406
40240	FULLER, G 26-2	1PDP	LA	LINCOLN	HICO-KNOWLES	0.053	32.907	0.004	2.393	0.083351	0.072932	0.728	0.688
40241	FULLER, H 24-1	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40242	FULLER, HL 24-1	1PDP	LA	DE SOTO	HOLLY	1.339	605.997	0.521	235.890	0.479625	0.389259	208.907	125.771
40243	FULLER, HL 24-2	1PDP	LA	DE SOTO	HOLLY	1.194	272.954	0.465	106.250	0.479625	0.389259	49.557	35.919
40245	FULLER, KB 19-1	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40246	FULLER, KB 19-2	1PDP	LA	DE SOTO	HOLLY	0.785	181.861	0.207	47.997	0.345641	0.263923	20.469	16.952

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40247	FULLER, R 25-1 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.064534	0.059603	0.000	0.000
40249	FULLER, R 25-2 ALT	1PDP	LA	DE SOTO	HOLLY	0.583	277.979	0.026	13.074	0.064550	0.047034	2.962	2.303
40251	FULLER, R 25-3 ALT	1PDP	LA	DE SOTO	HOLLY	0.349	39.018	0.021	2.326	0.064534	0.059603	1.322	1.210
40252	FULLER, R 35-1 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.039907	0.031885	0.000	0.000
40253	FULLER, R 35-2 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.039900	0.031885	0.000	0.000
40255	FURRH ESTATE 1	1PDP	TX	PANOLA	BETHANY	0.000	0.000	0.000	0.000	0.500000	0.385000	0.000	0.000
40256	FURRH OIL UNIT 1	1PDP	TX	HARRISON	WASKOM	7.771	21.609	2.914	8.103	0.500000	0.375000	161.476	125.064
38005	G B CUNYUS #1	1PDP	TX	GREGG	DANVILLE	1.448	36.335	0.553	13.865	0.500000	0.381571	24.423	22.464
38006	G B CUNYUS #2 2	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
35095	G S BUTLER ET AL 17-1 ALT 2	1PDP	LA	JACKSON	VERNON	0.000	1,372.267	0.000	916.946	0.890529	0.668198	1,340.748	646.144
41233	GARRETT 12-1	1PDP	LA	DE SOTO	KINGSTON	0.000	762.943	0.000	252.092	0.440052	0.330420	145.766	94.480
53457	GARRETT E 10	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.042415	0.042415	0.000	0.000
53458	GARRETT E 11	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.042415	0.042415	0.000	0.000
40258	GARRETT E 6	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.042415	0.042415	0.000	0.000
53459	GARRETT E 7	1PDP	TX	HARRISON	WASKOM	0.000	9.725	0.000	0.413	0.042415	0.042415	0.386	0.378
40259	GARRETT E 8	1PDP	TX	HARRISON	WASKOM	0.612	403.555	0.026	17.117	0.042415	0.042415	21.021	12.479
40952	GILLESPIE 18-1	1PDP	LA	DE SOTO	CASPIANA	0.000	158.577	0.000	60.516	0.500000	0.381619	18.735	16.028
38008	GINN HEIRS GU #1-01 1	1PDP	TX	GREGG	DANVILLE	8.011	60.644	3.084	23.348	0.500000	0.385000	164.238	122.653
38010	GINN HEIRS GU #1-03 3	1PDP	TX	GREGG	DANVILLE	5.538	102.237	2.132	39.361	0.500000	0.385000	139.254	121.594
38011	GINN HEIRS GU #1-04 4	1PDP	TX	GREGG	DANVILLE	12.888	199.291	4.954	76.727	0.500000	0.385000	226.928	135.024
38009	GINN HEIRS OU #1-02	1PDP	TX	GREGG	DANVILLE	0.184	10.121	0.070	3.862	0.500000	0.381571	0.900	0.883
40261	GOODGAME 1L & 1U	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40264	GORDON, CA 2	1PDP	TX	HARRISON	WASKOM	0.493	152.040	0.174	53.817	0.491622	0.353968	33.992	26.370
35055	GRANROSE 14-1 ALT 229238	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.999384	0.744345	0.000	0.000
40267	GRAY HEIRS 29 #2	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.737	51.722	0.287	20.165	0.495000	0.389878	9.146	8.093
40268	GRAY HEIRS 29-3	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.000	254.432	0.000	99.374	0.490000	0.390574	64.305	48.914

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40269	GRAY HEIRS 30-5	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.000	710.610	0.000	277.151	0.496000	0.390019	293.992	158.570
40270	GRAY HEIRS 4	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.000	0.000	0.000	0.000	0.500000	0.395495	0.000	0.000
40271	GRAY HEIRS 6	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.113	40.072	0.044	15.651	0.490000	0.390574	4.427	4.123
41519	GRIFFIN 33-1 BP	3PBP	LA	DE SOTO	HOLLY	1.889	657.770	0.796	263.117	0.500000	0.400013	224.902	40.870
38177	GRIFFIN RANCH GU #06-12	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500284	0.388947	0.000	0.000
38110	GRIFFIN RANCH GU #07-10	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.388066	0.000	0.000
38014	GRIFFIN RANCH GU #1-01 1	1PDP	TX	GREGG	DANVILLE	21.732	491.447	8.292	187.522	0.500000	0.381571	502.817	290.260
38015	GRIFFIN RANCH GU #1-03 3	1PDP	TX	GREGG	DANVILLE	1.025	72.717	0.391	27.747	0.500000	0.381571	7.090	6.179
38017	GRIFFIN RANCH GU #1-05 UPP	1PDP	TX	GREGG	DANVILLE, EAST	0.097	126.159	0.037	48.139	0.500000	0.381571	3.510	3.302
38018	GRIFFIN RANCH GU #1-07 7	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
38019	GRIFFIN RANCH GU #1-08 8	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
38020	GRIFFIN RANCH GU #1-09	1PDP	TX	GREGG	DANVILLE	16.128	931.564	6.154	355.458	0.500000	0.381571	329.636	185.943
38021	GRIFFIN RANCH GU #1-10 10	1PDP	TX	GREGG	DANVILLE, EAST	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
38377	GRIFFIN RANCH GU #1-13	1PDP	TX	GREGG	DANVILLE	0.277	203.718	0.107	78.431	0.500000	0.385000	3.668	3.467
38022	GRIFFIN RANCH GU #2-01 1	1PDP	TX	GREGG	DANVILLE	2.064	394.767	0.791	151.243	0.500000	0.383120	92.767	72.722
38023	GRIFFIN RANCH GU #2-02 2	1PDP	TX	GREGG	DANVILLE	6.142	372.562	2.353	142.736	0.500000	0.383120	178.696	129.833
38024	GRIFFIN RANCH GU #2-03 3	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.383120	0.000	0.000
38025	GRIFFIN RANCH GU #2-04 4	1PDP	TX	GREGG	DANVILLE	0.000	396.401	0.000	101.254	0.333334	0.255434	14.694	12.932
38026	GRIFFIN RANCH GU #2-05 5	1PDP	TX	GREGG	DANVILLE	0.390	191.181	0.149	72.879	0.497500	0.381204	11.691	10.459
38027	GRIFFIN RANCH GU #2-06 6	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.383120	0.000	0.000
38028	GRIFFIN RANCH GU #2-07 7	1PDP	TX	GREGG	DANVILLE	0.661	134.696	0.253	51.605	0.500000	0.383120	11.781	10.591
38029	GRIFFIN RANCH GU #2-08 8	1PDP	TX	GREGG	DANVILLE	0.000	248.643	0.000	63.512	0.333334	0.255434	3.108	2.932
38030	GRIFFIN RANCH GU #2-09 9	1PDP	TX	GREGG	DANVILLE	0.518	316.746	0.132	80.908	0.333334	0.255434	19.483	16.611
38031	GRIFFIN RANCH GU #2-10 10	1PDP	TX	GREGG	DANVILLE	0.000	308.050	0.000	78.686	0.333334	0.255434	10.388	8.746
38032	GRIFFIN RANCH GU #2-11 11	1PDP	TX	GREGG	DANVILLE	0.692	259.123	0.265	99.275	0.500000	0.383120	9.758	8.771
38033	GRIFFIN RANCH GU #2-13	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.333334	0.255434	0.000	0.000

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
38034	GRIFFIN RANCH GU #2-14	1PDP	TX	GREGG	DANVILLE	3.410	127.419	0.871	32.547	0.333334	0.255434	34.846	29.287
38093	GRIFFIN RANCH GU #2-15	1PDP	TX	GREGG	DANVILLE	0.000	772.954	0.000	197.439	0.333334	0.255434	16.790	14.090
38095	GRIFFIN RANCH GU #2-17	1PDP	TX	GREGG	DANVILLE	5.415	373.456	1.383	95.393	0.333334	0.255434	64.829	49.013
38097	GRIFFIN RANCH GU #2-19	1PDP	TX	GREGG	DANVILLE	29.857	1,355.524	11.656	529.197	0.500000	0.390400	976.667	583.440
38114	GRIFFIN RANCH GU #2-21	1PDP	TX	GREGG	DANVILLE	18.500	1,570.749	4.726	401.223	0.333334	0.255434	426.653	241.739
38036	GRIFFIN RANCH GU #3-02	1PDP	TX	GREGG	DANVILLE	23.857	40.451	9.120	15.464	0.499500	0.382290	533.216	311.673
38012	GRIFFIN RANCH GU #4-01 1-T	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
38037	GRIFFIN RANCH GU #4-03 3	1PDP	TX	GREGG	DANVILLE	1.139	192.925	0.435	73.615	0.500000	0.381571	18.800	16.590
38038	GRIFFIN RANCH GU #4-04 4	1PDP	TX	GREGG	DANVILLE, EAST	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
38039	GRIFFIN RANCH GU #4-05	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
38040	GRIFFIN RANCH GU #4-07	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
38041	GRIFFIN RANCH GU #5-01	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
38043	GRIFFIN RANCH GU #5-03	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
38044	GRIFFIN RANCH GU #5-04	1PDP	TX	GREGG	DANVILLE	7.821	316.601	2.984	120.806	0.500000	0.381571	200.786	161.150
38045	GRIFFIN RANCH GU #6-01 1	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.497418	0.383724	0.000	0.000
38046	GRIFFIN RANCH GU #6-04 4	1PDP	TX	GREGG	DANVILLE	0.000	3,841.708	0.000	1,475.097	0.497418	0.383969	896.924	414.712
38047	GRIFFIN RANCH GU #6-05 5	1PDP	TX	GREGG	DANVILLE	0.630	176.037	0.242	67.588	0.497320	0.383943	14.273	12.766
38048	GRIFFIN RANCH GU #6-06 6	1PDP	TX	GREGG	DANVILLE	0.766	397.752	0.290	152.337	0.497320	0.382995	25.936	22.325
38049	GRIFFIN RANCH GU #6-07 7	1PDP	TX	GREGG	DANVILLE	5.345	565.589	2.047	216.620	0.497320	0.382998	134.324	91.474
38050	GRIFFIN RANCH GU #6-08 8	1PDP	TX	GREGG	DANVILLE	2.732	383.746	1.052	147.741	0.499894	0.384997	55.223	44.309
38051	GRIFFIN RANCH GU #6-10 10	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.499885	0.384988	0.000	0.000
38054	GRIFFIN RANCH GU #7-01 1	1PDP	TX	GREGG	DANVILLE	4.370	101.557	1.696	39.411	0.500000	0.388066	60.258	47.364
38055	GRIFFIN RANCH GU #7-02 2	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.388066	0.000	0.000
38057	GRIFFIN RANCH GU #7-04 4	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.388066	0.000	0.000
38058	GRIFFIN RANCH GU #7-05 5	1PDP	TX	GREGG	DANVILLE	6.283	567.690	2.430	220.301	0.500000	0.388066	214.400	143.309
38059	GRIFFIN RANCH GU #7-06 6	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.388066	0.000	0.000

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
38060	GRIFFIN RANCH GU #7-07 7	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.388066	0.000	0.000
38061	GRIFFIN RANCH GU #7-08 8	1PDP	TX	GREGG	DANVILLE	0.000	14.452	0.000	5.608	0.500000	0.388066	0.301	0.296
38065	GRIFFIN RANCH GU #7-09 9	1PDP	TX	GREGG	DANVILLE, EAST	6.936	37.981	2.647	14.492	0.500000	0.381571	156.043	129.548
38062	GRIFFIN RANCH GU #8-01 1	1PDP	TX	GREGG	DANVILLE	0.000	830.713	0.000	366.166	0.500000	0.440786	150.233	112.568
38063	GRIFFIN RANCH GU #8-03 3	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.440786	0.000	0.000
38167	GRIFFIN RANCH GU #8-4	1PDP	TX	GREGG	DANVILLE	0.000	707.937	0.000	312.049	0.500000	0.440786	104.976	83.132
38042	GRIFFIN RANCH OU #5-02	1PDP	TX	GREGG	DANVILLE	1.233	62.317	0.470	23.778	0.500000	0.381571	9.047	8.167
38064	GRIFFIN RANCH OU #6-09	1PDP	TX	GREGG	DANVILLE	0.008	4.324	0.003	1.665	0.499694	0.384939	0.028	0.028
38053	GRIFFIN RANCH OU #6-11 11	1PDP	TX	GREGG	DANVILLE, EAST	4.392	7.198	1.691	2.771	0.499692	0.384995	58.969	48.934
38056	GRIFFIN RANCH OU #7-03	1PDP	TX	GREGG	DANVILLE	4.931	46.747	1.882	17.837	0.500000	0.381571	116.962	101.146
38066	GRIFFIN RANCH OU #A-01 1U	1PDP	TX	GREGG	PEATOWN	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
38067	GRIFFIN RANCH OU #A-02	1PDP	TX	GREGG	DANVILLE	46.309	61.048	17.670	23.294	0.500000	0.381571	1,261.957	736.378
38068	GRIFFIN RANCH OU #B-01	1PDP	TX	GREGG	DANVILLE	5.372	327.643	2.050	125.019	0.500000	0.381571	84.876	73.337
38069	GRIFFIN RANCH OU #C-01	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.381571	0.000	0.000
38013	GRIFFIN RANCH OU #C-02	1PDP	TX	GREGG	DANVILLE	0.315	90.152	0.120	34.399	0.500000	0.381571	7.016	6.423
40923	GUY 4-2	1PDP	LA	DE SOTO	CASPIANA	0.000	17.785	0.000	0.543	0.040735	0.030551	0.035	0.034
40274	GUY 5-2	1PDP	LA	DE SOTO	CASPIANA	0.000	931.239	0.000	356.617	0.500000	0.382949	235.383	133.836
40275	GUY 5-3	1PDP	LA	DE SOTO	CASPIANA	0.000	54.659	0.000	20.932	0.500000	0.382949	1.427	1.360
40978	GUY 5-4	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.500000	0.382949	0.000	0.000
40979	GUY 5-5	1PDP	LA	DE SOTO	CASPIANA	0.000	668.504	0.000	256.003	0.500000	0.382949	142.360	88.236
35100	HALL 19-1 ALT 226588	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40276	HALL HEIRS 16-1	1PDP	LA	CADDO	GREENWOOD-WASKOM	39.470	0.000	10.856	0.000	0.350318	0.275054	632.558	318.445
1114	HAMIL B-1 1	1PDP	TX	DAWSON	ACKERLY	47.205	49.259	16.440	17.155	0.469679	0.348262	1,169.929	703.053
1285	HAMIL B-1 (PBP) 1	3PBP	TX	DAWSON	ACKERLY	42.200	21.930	14.685	7.631	0.469679	0.347981	1,101.059	252.966
2852	HAMIL D	1PDP	TX	DAWSON	ACKERLY	34.452	6.505	10.113	1.909	0.387161	0.293542	610.248	326.586
40277	HAMILTON W P 1	1PDP	TX	HARRISON	BETHANY	1.123	719.045	0.404	258.856	0.450000	0.360000	320.752	147.965

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35146	HARRISON 29-1 ALT 228373	1PDP	LA	JACKSON	VERNON	0.000	2,490.296	0.000	1,917.961	1.000000	0.770174	3,137.601	1,434.638
35384	HARRISON ET AL 29A-1 ALT 2	1PDP	LA	JACKSON	VERNON	0.000	2,720.744	0.000	2,095.446	1.000000	0.770174	3,498.894	1,504.325
35359	HARVEY 14-1 ALT 233266	1PDP	LA	JACKSON	VERNON	0.000	1,624.340	0.000	1,241.487	1.000000	0.787120	1,794.913	844.080
35060	HEAD 22-1 226447	1PDP	LA	JACKSON	VERNON	0.000	785.842	0.000	563.545	0.950000	0.717123	583.231	305.068
40279	HEARNE 32-1 ALT	1PDP	LA	CADDO	GREENWOOD-WASKOM	5.229	139.160	2.044	54.408	0.500000	0.390979	149.793	115.916
40280	HEC-LANKFORD 1	1PDP	TX	HARDEMAN	LOUDON	7.568	0.000	1.478	0.000	0.250000	0.195313	92.904	79.261
35108	HELEN HARRIS 7-1 ALT 22900	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.896883	0.805237	0.000	0.000
40281	HENDERSON 14-1	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40282	HEROLD HEIRS 8-1	2PNP	LA	DE SOTO	RED RIVER-BULL BAYOU	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40284	HERRING 5-2	1PDP	LA	DE SOTO	CASPIANA	0.000	121.692	0.000	46.802	0.500000	0.382949	12.274	11.007
40955	HINES 28-1	1PDP	LA	DE SOTO	CASPIANA	0.000	38.472	0.000	9.078	0.312831	0.235965	2.188	2.109
35124	HOBSON 29-1 ALT 228782	1PDP	LA	JACKSON	VERNON	0.000	1,339.963	0.000	1,032.006	1.000000	0.770175	1,487.227	694.895
35160	HOBSON 29-2 ALT 228372	1PDP	LA	JACKSON	VERNON	0.000	615.733	0.000	474.221	1.000000	0.770174	530.833	342.489
38757	HODDE 14-2 ALT	1PDP	LA	JACKSON	KELLEYS	0.000	1,015.595	0.000	764.389	1.000000	0.752851	731.944	505.173
35022	HODDE 21-1 224276	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35042	HODDE 21-2 ALT 225788	1PDP	LA	JACKSON	VERNON	0.000	507.281	0.000	367.719	0.967500	0.724882	230.005	139.115
35067	HODDE 21-3 ALT 226344	1PDP	LA	JACKSON	VERNON	0.000	237.590	0.000	166.487	0.932417	0.700731	88.285	79.329
35206	HODDE 21-4 ALT 229398	1PDP	LA	JACKSON	VERNON	0.000	583.009	0.000	408.533	0.932417	0.700731	440.090	287.271
35039	HODDE 22-1 224571	1PDP	LA	JACKSON	VERNON	0.000	128.973	0.000	92.244	0.947428	0.715217	30.037	25.980
35113	HODDE 22-2 ALT 227664	1PDP	LA	JACKSON	VERNON	4.310	670.551	3.091	480.867	0.950000	0.717123	684.700	361.708
35208	HODDE 22-3 ALT 229367	1PDP	LA	JACKSON	VERNON	0.000	655.428	0.000	470.022	0.950000	0.717123	406.124	241.738
35138	HODDE 22-4 ALT 230126	1PDP	LA	JACKSON	VERNON	0.000	440.691	0.000	316.030	0.950000	0.717123	174.957	117.244
35405	HODDE 22-5 ALT 236144	1PDP	LA	JACKSON	VERNON	0.000	487.527	0.000	349.617	0.950000	0.717123	240.378	146.579
35083	HODDE 28-1 225689	1PDP	LA	JACKSON	VERNON	0.000	14.411	0.000	10.976	1.000000	0.761661	1.375	1.346
35115	HODDE 28-2 ALT 227866	1PDP	LA	JACKSON	VERNON	1.750	1,037.113	1.333	789.928	1.000000	0.761661	1,005.360	531.320
35159	HODDE 28-3 ALT 228720	1PDP	LA	JACKSON	VERNON	0.000	1,928.801	0.000	1,469.092	1.000000	0.761661	2,200.726	1,011.164

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35188	HODDE 28-4 ALT 231738	1PDP	LA	JACKSON	VERNON	0.000	2,145.822	0.000	1,634.389	1.000000	0.761661	2,772.372	1,278.174
35823	HODDE 28-5 ALT 237353	1PDP	LA	JACKSON	VERNON	0.000	725.538	0.000	552.614	1.000000	0.761661	565.451	320.007
36456	HODDE ET AL 14-1 239210	1PDP	LA	JACKSON	KELLEYS	0.000	0.000	0.000	0.000	1.000000	0.752851	0.000	0.000
35102	HODDE ET AL 7-1 ALT 228304	1PDP	LA	JACKSON	VERNON	0.000	287.694	0.000	227.424	1.000000	0.790505	158.606	123.096
35063	HODDE ET AL 8-1 ALT 228405	1PDP	LA	JACKSON	VERNON	0.000	86.023	0.000	68.002	1.000000	0.790505	34.233	30.892
41236	HOELL 12-1	1PDP	LA	DE SOTO	KINGSTON	0.000	343.335	0.000	124.941	0.473536	0.383904	50.380	38.942
1121	HORNE 1 WALT	1PDP	TX	DAWSON	ACKERLY	53.345	6.534	42.340	5.186	1.000000	0.793701	2,443.277	820.299
34882	HORNE 2 2	3PBP	TX	DAWSON	ACKERLY	49.271	24.428	39.107	19.388	1.000000	0.793701	2,939.347	1,179.419
34887	HORNE 47-2A	1PDP	TX	DAWSON	ACKERLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
2929	HORWOOD 39-1	1PDP	TX	STERLING	SUGG RANCH	0.036	0.046	0.028	0.036	0.970000	0.776000	0.059	0.059
40288	HUNT 31-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40880	IP 8-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41221	IP 8-2	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.479688	0.359413	0.000	0.000
41241	JACKSON 13-1	2PNP	LA	DE SOTO	KINGSTON	0.000	9.203	0.000	3.180	0.454385	0.345570	0.336	0.317
43161	JACKSON 33-1	1PDP	LA	DE SOTO	HOLLY	0.959	785.608	0.209	171.091	0.289326	0.217781	137.816	89.508
43160	JACKSON 33-1 BP 1	3PBP	LA	DE SOTO	HOLLY	2.772	785.805	0.797	225.860	0.401250	0.287425	82.376	10.582
40677	JACKSON HRS 9-1	2PNP	LA	CADDO	GREENWOOD-WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35369	JACKSON PARISH SCHOOL B	1PDP	LA	JACKSON	VERNON	0.000	1,942.372	0.000	1,483.720	0.964176	0.763870	2,306.507	1,140.434
35337	JACLIN CORP 2-1 ALT 234094	1PDP	LA	JACKSON	VERNON	0.000	1,006.499	0.000	705.110	0.920711	0.700557	838.907	426.531
35368	JACLIN CORP 25-1 234002	1PDP	LA	JACKSON	KELLEYS	0.000	693.670	0.000	524.835	1.000000	0.756606	557.343	297.573
35367	JACLIN CORP 2A-1 ALT 233938	1PDP	LA	JACKSON	VERNON	0.000	841.245	0.000	671.686	1.000000	0.798443	841.484	445.136
35371	JACLIN CORP 2A-2 ALT 234467	1PDP	LA	JACKSON	VERNON	0.000	80.044	0.000	63.910	1.000000	0.798443	17.329	15.694
2407	JARVIS #1	1PDP	TX	CHEROKEE	FT CHEROKEE	0.000	0.000	0.000	0.000	0.250000	0.196324	0.000	0.000
40293	JOBE 1	1PDP	TX	HARRISON	WASKOM	0.000	443.482	0.000	168.523	0.500000	0.380000	178.073	116.150
40294	JOBE 2	1PDP	TX	HARRISON	WASKOM	0.000	37.282	0.000	14.167	0.500000	0.380000	2.682	2.489
40295	JOBE 3	1PDP	TX	HARRISON	WASKOM	0.000	414.938	0.000	157.676	0.500000	0.380000	142.162	88.725

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40296	JOBE 4	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.500000	0.380000	0.000	0.000
40297	JOBE 5	1PDP	TX	HARRISON	WASKOM	0.385	99.591	0.139	37.845	0.500000	0.380000	33.240	27.736
40298	JOBE 6	1PDP	TX	HARRISON	WASKOM	35.941	0.000	13.657	0.000	0.500000	0.380000	642.288	363.796
43320	JOBE 7	1PDP	TX	HARRISON	WASKOM	38.095	3.678	14.476	1.398	0.500000	0.380000	677.775	370.385
40299	JOBE 8	2PNP	TX	HARRISON	WASKOM	5.713	57.134	2.171	21.711	0.500000	0.380000	30.471	1.583
40300	JOBE 10	1PDP	TX	HARRISON	WASKOM	0.000	566.844	0.000	215.401	0.500000	0.380000	229.480	137.900
40301	JOBE 11	1PDP	TX	HARRISON	WASKOM	0.000	276.209	0.000	104.959	0.500000	0.380000	77.325	53.997
41476	JOBE 12	1PDP	TX	HARRISON	WASKOM	0.000	772.917	0.000	293.708	0.500000	0.380000	356.704	196.645
40624	JOBE 9	1PDP	TX	HARRISON	WASKOM	19.535	0.000	6.514	0.000	0.455000	0.333463	334.649	201.687
40302	JOHNSON 3	1PDP	TX	HARRISON	WASKOM	0.732	1.708	0.270	0.630	0.500000	0.368582	4.967	4.683
40304	JOHNSON 8-1	1PDP	LA	DE SOTO	KINGSTON	0.000	541.502	0.000	179.273	0.437340	0.331066	80.895	53.110
42058	JOHNSON 8-1 BP2	3PBP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40306	JOHNSON A 2	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40307	JOHNSON A 4	1PDP	TX	HARRISON	WASKOM	1.442	36.514	0.531	13.455	0.500000	0.368501	25.209	22.135
40308	JOHNSON, R 1	2PNP	TX	PANOLA	CARTHAGE, N.	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40309	JOHNSON, R 3	1PDP	TX	PANOLA	CARTHAGE, N.	0.000	0.000	0.000	0.000	0.401412	0.317618	0.000	0.000
40310	JOHNSON, R 4	2PNP	TX	PANOLA	CARTHAGE, N.	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40311	JOHNSON, R 5	1PDP	TX	PANOLA	CARTHAGE, N.	0.000	0.000	0.000	0.000	0.500000	0.395684	0.000	0.000
35089	JONES 10-2 ALT 227978	1PDP	LA	JACKSON	VERNON	0.000	1,030.310	0.000	789.219	0.977534	0.766001	1,048.346	549.604
40312	JONES 15-1	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41530	JONES 28-1 (R)	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40314	JONESVILLE 2	1PDP	TX	HARRISON	WASKOM	4.535	29.585	1.451	9.467	0.426675	0.320006	100.741	89.459
43321	JONESVILLE 22	1PDP	TX	HARRISON	WASKOM	6.724	35.609	2.463	13.044	0.485691	0.366319	100.158	83.127
40318	JONESVILLE 12	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40320	JONESVILLE 15	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40330	JONESVILLE 16	1PDP	TX	HARRISON	WASKOM	1.605	426.599	0.585	155.407	0.485726	0.364294	174.437	105.817

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.



HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40321	JONESVILLE 20	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.489246	0.366935	0.000	0.000
40322	JONESVILLE 21	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41168	JONESVILLE 28	1PDP	TX	HARRISON	WASKOM	0.000	454.634	0.000	166.161	0.488489	0.365483	173.448	114.982
40325	JONESVILLE A 4	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40326	JONESVILLE A 7	1PDP	TX	HARRISON	WASKOM	0.000	243.848	0.000	79.388	0.431706	0.325562	65.377	48.422
40327	JONESVILLE A 7A	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40339	JONESVILLE A 8T	1PDP	TX	HARRISON	WASKOM	2.613	47.517	0.855	15.544	0.434620	0.327126	24.574	20.154
40328	JONESVILLE A 10	1PDP	TX	HARRISON	WASKOM	0.000	70.231	0.000	23.069	0.439538	0.328477	19.389	17.787
40329	JONESVILLE A 11	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40332	JONESVILLE A 18	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.477287	0.358820	0.000	0.000
40334	JONESVILLE A 23	1PDP	TX	HARRISON	WASKOM	7.934	731.439	2.627	242.215	0.439984	0.331149	494.881	268.050
40335	JONESVILLE A 24	1PDP	TX	HARRISON	WASKOM	2.689	455.849	0.930	157.573	0.459546	0.345821	195.860	120.210
40336	JONESVILLE A 25	1PDP	TX	HARRISON	WASKOM	20.910	13.185	6.923	4.365	0.439874	0.331067	386.332	230.172
40337	JONESVILLE A 26	1PDP	TX	HARRISON	WASKOM	0.475	370.333	0.165	128.487	0.482187	0.346950	126.329	87.666
41175	JONESVILLE A-29	1PDP	TX	HARRISON	WASKOM	0.000	730.166	0.000	268.561	0.488862	0.367808	308.935	174.222
40462	JONESVILLE, N. 4	1PDP	TX	HARRISON	WASKOM	0.000	64.594	0.000	21.705	0.448025	0.336019	6.834	6.099
40457	JONESVILLE, N. A 10	1PDP	TX	HARRISON	WASKOM	0.000	291.909	0.000	102.136	0.466519	0.349690	81.855	54.961
40458	JONESVILLE, N. A 11	1PDP	TX	HARRISON	WASKOM	0.784	22.667	0.262	7.577	0.466519	0.334265	17.142	16.202
40459	JONESVILLE, N. A 12	1PDP	TX	HARRISON	WASKOM	0.466	317.179	0.163	110.978	0.466519	0.349690	97.266	67.400
40456	JONESVILLE, N. A 6	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.448025	0.336019	0.000	0.000
40461	JONESVILLE, N. B 14	1PDP	TX	HARRISON	WASKOM	9.559	414.381	3.343	144.927	0.466325	0.349743	306.822	195.600
41100	JONESVILLE, N. B 15 CV	1PDP	TX	HARRISON	WASKOM	1.535	826.257	0.561	301.736	0.487500	0.365184	438.094	267.942
40460	JONESVILLE, N. B 2	1PDP	TX	HARRISON	WASKOM	0.000	110.894	0.000	37.315	0.448650	0.336487	29.268	25.427
41158	JONESVILLE, N. C 16	1PDP	TX	HARRISON	WASKOM	0.737	245.544	0.261	86.998	0.473400	0.354307	70.274	51.541
35261	JURA WILSON ET AL 30-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	2,957,917	0.000	2,224,901	0.989084	0.752185	3,773.631	1,611.984
36552	KELLY LAND MGMT 13-1 24004	1PDP	LA	JACKSON	KELLEYS	0.000	391.686	0.000	255.178	0.845457	0.651485	148.930	107.681

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40340	KENPAU 17-1	1PDP	LA	DE SOTO	KINGSTON	0.643	252.686	0.211	82.847	0.430986	0.327864	50.186	40.059
40341	KENPAU 17-2	1PDP	LA	DE SOTO	KINGSTON	7.308	1,402.153	1.889	362.358	0.338537	0.258430	487.529	255.069
1144	KIDD #2A	1PDP	TX	DAWSON	ACKERLY	10.711	2.948	4.589	1.263	0.574360	0.428476	299.036	252.683
43147	KILLIAN 13-1	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.015625	0.012500	0.000	0.000
43138	KILLIAN 13-2	1PDP	LA	DE SOTO	HOLLY	0.000	677.632	0.000	8.470	0.015650	0.012500	4.336	2.771
43139	KILLIAN 13-2 D	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.015625	0.012500	0.000	0.000
40342	KILLIAN 18-1	1PDP	LA	DE SOTO	KINGSTON	0.000	264.099	0.000	84.315	0.409415	0.319257	22.727	17.541
40343	KILLIAN 18-2	1PDP	LA	DE SOTO	KINGSTON	0.000	1,084.907	0.000	283.447	0.332763	0.261264	302.792	153.382
40767	KILLIAN 18-2 BP1	3BPB	LA	DE SOTO	KINGSTON	2.795	792.196	0.730	206.972	0.332763	0.261264	125.275	47.601
40344	KILLIAN 18-3	1PDP	LA	DE SOTO	KINGSTON	0.000	536.968	0.000	140.290	0.332763	0.261264	76.806	47.580
40769	KILLIAN 18-3 BP	3BPB	LA	DE SOTO	KINGSTON	2.795	792.196	0.730	206.972	0.332763	0.261264	116.956	35.605
40345	KILLIAN 18-4	1PDP	LA	DE SOTO	KINGSTON	6.042	613.749	1.579	160.350	0.332763	0.261264	175.653	104.049
40346	KILLIAN 18-5	1PDP	LA	DE SOTO	KINGSTON	0.000	401.570	0.000	104.916	0.332763	0.261264	47.848	33.303
40771	KILLIAN 18-5 BP	3BPB	LA	DE SOTO	KINGSTON	2.795	792.196	0.730	206.972	0.332763	0.261264	125.275	46.851
40347	KILLIAN 18-6	1PDP	LA	DE SOTO	KINGSTON	0.000	300.213	0.000	78.435	0.332763	0.261264	36.308	28.463
40348	KILLIAN 18-7	1PDP	LA	DE SOTO	KINGSTON	0.000	305.938	0.000	79.931	0.332763	0.261264	27.525	20.961
40772	KILLIAN 18-7 BP1	3BPB	LA	DE SOTO	KINGSTON	2.795	792.196	0.730	206.972	0.332763	0.261264	116.956	37.343
42848	KILLIAN 18-9	1PDP	LA	DE SOTO	HOLLY	2.885	588.388	0.788	160.696	0.344712	0.273112	160.785	96.451
42989	KILLIAN 18-9 BP1	3BPB	LA	DE SOTO	HOLLY	2.795	792.196	0.735	206.423	0.335179	0.263095	117.641	37.213
40349	KILPATRICK 13-1 D	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.015625	0.012500	0.000	0.000
40352	KNIGHTON 9	1PDP	TX	HARRISON	WASKOM	7.873	407.714	2.728	141.273	0.495000	0.346500	295.420	175.690
40354	KNIGHTON B 3	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.492905	0.340777	0.000	0.000
40356	KNIGHTON C 10	1PDP	TX	HARRISON	WASKOM	5.776	460.874	2.002	159.693	0.495000	0.346500	256.195	167.503
40357	KOCH 1	2PNP	TX	PANOLA	BETHANY	0.225	140.952	0.090	56.610	0.500000	0.401625	50.161	37.906
35315	LA MINERALS 10A-1 ALT 23159	1PDP	LA	JACKSON	VERNON	0.000	192.339	0.000	145.386	1.000000	0.755883	41.107	32.616
35178	LA MINERALS 12A-1 ALT 22934	1PDP	LA	JACKSON	VERNON	0.000	396.488	0.000	312.702	1.000000	0.788679	178.457	120.722

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES ID.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35273	LA MINERALS 13A-1 ALT 23312	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.522804	0.400745	0.000	0.000
35048	LA MINERALS 15-1 ALT 229636	1PDP	LA	JACKSON	VERNON	0.000	51.132	0.000	38.558	1.000000	0.754077	11.071	10.345
35203	LA MINERALS 18-1 229080	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	1.000000	0.755444	0.000	0.000
35241	LA MINERALS 19-2 ALT 230385	1PDP	LA	JACKSON	VERNON	0.000	596.548	0.000	450.658	1.000000	0.755444	401.464	225.082
35242	LA MINERALS 18-3 ALT 232238	1PDP	LA	JACKSON	VERNON	0.000	1,257.756	0.000	950.164	1.000000	0.755444	1,337.802	633.807
35222	LA MINERALS 18A-1 ALT 22957	1PDP	LA	JACKSON	VERNON	0.000	1,323.018	0.000	1,065.343	0.998883	0.805237	1,588.572	736.353
35243	LA MINERALS 18A-2 ALT 23073	1PDP	LA	JACKSON	VERNON	0.000	561.173	0.000	453.637	1.000000	0.808374	411.543	231.089
35837	LA MINERALS 18B-1 ALT 23782	1PDP	LA	JACKSON	VERNON	0.000	2,010.381	0.000	1,497.571	1.000000	0.744819	2,269.950	1,024.757
35104	LA MINERALS 25-1 227556	1PDP	LA	JACKSON	VERNON	0.000	354.453	0.000	296.861	1.000000	0.809306	97.792	68.487
35422	LA MINERALS 25-2 ALT 237407	1PDP	LA	JACKSON	VERNON	0.000	194.247	0.000	157.205	1.000000	0.809306	56.452	45.697
35084	LA MINERALS 33-1 225872	1PDP	LA	JACKSON	VERNON	0.121	169.753	0.097	136.032	1.000000	0.801349	35.868	29.229
35041	LA MINERALS 34-1 224499	1PDP	LA	JACKSON	VERNON	0.000	3,712.410	0.000	2,429.145	0.875000	0.654331	4,599.455	1,828.735
35068	LA MINERALS 7-1 226603	2PNP	LA	JACKSON	VERNON	0.000	37.930	0.000	29.984	1.000000	0.790505	4.987	4.511
35049	LA MINERALS 7-2 225462	1PDP	LA	JACKSON	VERNON	0.000	435.616	0.000	343.562	1.000000	0.788679	312.744	224.196
35086	LA MINERALS 7-3 ALT 227996	1PDP	LA	JACKSON	VERNON	0.000	1,698.966	0.000	1,339.938	1.000000	0.788679	2,053.969	963.843
35054	LA MINERALS 7-4 ALT 229505	1PDP	LA	JACKSON	VERNON	0.000	559.172	0.000	442.028	1.000000	0.790505	368.596	214.169
35277	LA MINERALS 7-5 ALT 230972	1PDP	LA	JACKSON	VERNON	0.000	1,521.829	0.000	1,201.110	1.000000	0.789254	1,871.647	865.703
35278	LA MINERALS 7-6 ALT 232070	1PDP	LA	JACKSON	VERNON	0.000	1,559.060	0.000	1,230.495	1.000000	0.789254	1,774.853	822.686
35316	LA MINERALS 7-7 ALT 231411	1PDP	LA	JACKSON	VERNON	0.000	1,043.115	0.000	822.682	1.000000	0.788679	1,117.595	577.842
53695	LA MINERALS 7-7 ALT (CLEAN	2PNP	LA	JACKSON	VERNON	0.000	-431.445	0.000	-340.272	1.000000	0.788679	-454.771	-288.165
53694	LA MINERALS 7-7 ALT (CLEAN	2PNP	LA	JACKSON	VERNON	0.000	1,588.483	0.000	1,252.803	1.000000	0.788679	1,670.320	578.830
35395	LA MINERALS 7-8 ALT 234725	1PDP	LA	JACKSON	VERNON	0.000	217.659	0.000	171.663	1.000000	0.788679	56.046	44.255
35099	LA MINERALS 8-1 ALT 229308	1PDP	LA	JACKSON	VERNON	0.000	843.640	0.000	666.902	1.000000	0.790505	755.771	387.714
40358	LANE 14-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
36596	LANGENDAL ET AL 15-1	1PDP	LA	JACKSON	KELLEYS	18.620	246.229	13.915	184.003	0.988220	0.747267	964.195	752.129
42463	LARKIN 29-1	1PDP	LA	DE SOTO	HOLLY	0.000	895.706	0.000	259.562	0.374723	0.289785	198.185	120.549

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
42694	LARKIN 29-1 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.610	0.835	236.652	0.377344	0.298573	147.820	42.088
41042	LATIN 14-1	1PDP	LA	DE SOTO	HOLLY	0.000	403.049	0.000	145.739	0.469683	0.361590	70.815	52.909
40359	LATIN 25-1 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	200.313	0.000	11.939	0.064534	0.059603	8.408	7.021
43151	LATIN 25-2 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	509.492	0.000	30.367	0.064534	0.059603	19.902	11.966
40361	LATTIN 24-1 ALT	1PDP	LA	DE SOTO	HOLLY	0.806	508.756	0.314	198.038	0.479625	0.389259	137.695	84.570
40362	LATTIN 24-2 ALT (R)	1PDP	LA	DE SOTO	HOLLY	0.000	605.441	0.000	235.673	0.479625	0.389259	163.090	96.523
35351	LAUKHUF ET AL 3-1 232237	1PDP	LA	JACKSON	VERNON	0.000	885.273	0.000	675.772	0.969196	0.763349	844.664	423.063
40364	LAWSON-MORGAN 1	1PDP	TX	PANOLA	BETHANY	10.007	310.294	3.753	116.360	0.500000	0.375000	482.226	372.147
40909	LEE 19-1 BPCV	3BPB	LA	DE SOTO	CASPIANA	1.055	418.730	0.429	170.109	0.500000	0.406250	198.120	85.283
41767	LEE 20-1 BPCV	3BPB	LA	DE SOTO	CASPIANA	2.162	612.912	0.879	248.995	0.500000	0.406250	326.274	123.802
35078	LEONARD 20-1 ALT 228118	1PDP	LA	JACKSON	VERNON	0.000	920.294	0.000	704.191	0.965486	0.765181	918.778	506.626
35254	LEONARD 20-2 ALT 230635	1PDP	LA	JACKSON	VERNON	0.000	875.890	0.000	670.214	0.965486	0.765181	760.094	435.529
52023	LEONARD 20-2 ALT (CLEANOU	2PNP	LA	JACKSON	VERNON	0.000	-1,344.680	0.000	-1,028.924	0.965486	0.765181	-1,411.948	-477.895
52022	LEONARD 20-2 ALT (CLEANOU	2PNP	LA	JACKSON	VERNON	0.000	1,894.778	0.000	1,449.848	0.965486	0.765181	1,663.486	379.727
35396	LEONARD 20-3 ALT 235137	1PDP	LA	JACKSON	VERNON	0.000	618.451	0.000	481.445	0.978776	0.778470	478.965	265.696
35397	LEONARD 20-4 ALT 235547	1PDP	LA	JACKSON	VERNON	0.000	214.795	0.000	167.211	0.978776	0.778470	72.127	57.511
35314	LEONARD 25-1 ALT 232779	1PDP	LA	JACKSON	VERNON	0.000	1,219.951	0.000	912.681	0.953332	0.732945	1,364.024	819.327
35065	LEWIS 14-1 ALT 227787	1PDP	LA	JACKSON	VERNON	0.000	1,367.243	0.000	962.526	0.913412	0.707921	1,433.837	691.226
35224	LEWIS 15-1 ALT 229185	1PDP	LA	JACKSON	VERNON	0.000	1,450.145	0.000	990.713	0.892162	0.683182	1,360.437	641.429
35331	LEWIS 15-2 ALT 233128	1PDP	LA	JACKSON	VERNON	0.000	957.415	0.000	677.774	0.913412	0.707921	841.090	426.198
52025	LEWIS 15-2 ALT (CLEANOUT B	2PNP	LA	JACKSON	VERNON	0.000	-1,079.518	0.000	-866.123	0.913411	0.707921	-1,220.524	-566.594
52024	LEWIS 15-2 ALT (CLEANOUT	2PNP	LA	JACKSON	VERNON	0.000	1,812.015	0.000	1,453.986	0.913411	0.707921	1,912.112	447.118
35347	LOGGY BAYOU 9-1 ALT 231580	1PDP	LA	JACKSON	VERNON	0.000	386.512	0.000	47.875	0.157298	0.123865	27.611	18.073
40365	LONG HEIRS 16-1	2PNP	LA	CADDO	GREENWOOD-WASKOM	10.071	259.643	3.827	98.664	0.495089	0.379697	284.732	174.781
35398	LOUIS BROWN ETAL 20-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	978.552	0.000	747.486	0.964176	0.763870	1,031.046	615.812
40894	LOWERY 13 #1	1PDP	LA	DE SOTO	KINGSTON	0.000	223.243	0.000	77.146	0.454385	0.345570	25.736	21.579

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
41237	LOWERY INV 12-1	1PDP	LA	DE SOTO	KINGSTON	0.000	419.966	0.000	138.765	0.440052	0.330420	56.170	41.534
40914	LOWERY INV 24-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40303	LUELLEN JOHNSON 7-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
38074	LYNN HORTON OU #1-02	2PNP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
38070	M G M GRIFFIN GU #1-01 1	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.390573	0.000	0.000
35325	MACK 19-1 ALT 230078	1PDP	LA	JACKSON	VERNON	0.000	794.875	0.000	138.470	0.227941	0.174204	138.760	79.213
35358	MACK 19-2 ALT 233267	1PDP	LA	JACKSON	VERNON	0.000	1,350.821	0.000	235.318	0.227941	0.174204	307.037	149.058
38000	MARTHA BARTON #05	1PDP	TX	GREGG	DANVILLE	33.272	95.330	7.807	22.370	0.376869	0.234526	509.769	322.856
38001	MARTHA BARTON GU #1-01	1PDP	TX	GREGG	DANVILLE	3.443	242.953	1.307	92.236	0.497475	0.379645	68.704	47.727
40373	MARTIN 1	2PNP	TX	HARRISON	BETHANY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40371	MARTIN 19-1 ALT (R)	1PDP	LA	DE SOTO	HOLLY	0.000	414.086	0.000	111.226	0.358142	0.268606	35.829	26.041
40372	MARTIN 19-2 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.358142	0.268606	0.000	0.000
40375	MARTIN TIMBER 14-1	2PNP	LA	DE SOTO	RED RIVER-BULL BAYOU	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40374	MARTIN TIMBER CO. 11-1	1PDP	LA	DE SOTO	KINGSTON	0.000	42.240	0.000	15.979	0.491070	0.378291	2.139	2.034
41835	MARY MAINES 22-1	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.500000	0.407024	0.000	0.000
40379	MAVALEE PRITNR 15-1	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.499217	0.403115	0.000	0.000
40380	MAYS, A 17-1	1PDP	LA	CADDO	GREENWOOD-WASKOM	12.413	740.641	4.382	260.263	0.427797	0.351403	659.926	404.740
1446	MB NOELKE 02 c 2	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1447	MB NOELKE 02 e 2	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1448	MB NOELKE 02 f 2	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1763	MB NOELKE 02 g 2	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1764	MB NOELKE 02 h 2	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1907	MB NOELKE 02 i 2	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1913	MB NOELKE 02 o 2	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1914	MB NOELKE 02 p 02	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1915	MB NOELKE 02 q 2	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
1916	MB NOELKE 02 / 2	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1177	MB NOELKE 2-1,4,5,6,7	1PDP	TX	IRION	SUGG RANCH	23.460	158.087	17.067	115.008	0.970000	0.727500	1,730.316	603.281
1911	MB NOELKE 2-2 2	1PDP	TX	IRION	SUGG RANCH	0.599	120.292	0.436	87.512	0.970000	0.727500	775.454	425.661
1909	MB NOELKE 2-8 2	1PDP	TX	IRION	SUGG RANCH	3.068	11.026	2.232	8.022	0.970000	0.727500	158.529	135.298
35239	MCCARTY 7-1 ALT 230741	1PDP	LA	JACKSON	VERNON	0.000	934.448	0.000	737.517	1.000000	0.789254	906.020	466.100
35034	MCCONNELL 1 188567	1PDP	LA	JACKSON	VERNON	0.000	382.870	0.000	293.003	1.000000	0.785280	143.807	95.346
41242	MCCONNELL 13-1	1PDP	LA	DE SOTO	KINGSTON	0.000	95.381	0.000	32.961	0.454385	0.345570	10.327	9.490
35202	MCCONNELL ESTATE 13-1 228	1PDP	LA	JACKSON	VERNON	0.000	257.346	0.000	191.554	0.999364	0.744345	114.257	90.745
35010	MCCONNELL ESTATE 14-1 224	1PDP	LA	JACKSON	VERNON	0.000	172.476	0.000	126.559	0.969173	0.733774	104.343	89.752
35045	MCCONNELL ESTATE 14-2 AL	1PDP	LA	JACKSON	VERNON	0.000	797.735	0.000	585.357	0.969173	0.733774	656.667	362.544
35293	MCCONNELL ESTATE 14-3 AL	1PDP	LA	JACKSON	VERNON	0.000	1,421.581	0.000	1,077.131	1.000000	0.757699	1,591.408	746.182
35049	MCCONNELL ESTATE 14-4 AL	1PDP	LA	JACKSON	VERNON	0.000	523.432	0.000	396.604	1.000000	0.757699	484.412	320.418
35181	MCCONNELL ESTATE 15-2 AL	1PDP	LA	JACKSON	VERNON	0.000	118.688	0.000	89.930	1.000000	0.757699	47.706	42.412
52033	MCCONNELL ESTATE 15-2 AL	2PNP	LA	JACKSON	VERNON	0.000	-1,005.453	0.000	-761.830	1.000000	0.757699	-950.819	-346.217
52032	MCCONNELL ESTATE 15-2 AL	2PNP	LA	JACKSON	VERNON	0.000	1,359.748	0.000	1,030.280	1.000000	0.757699	883.152	77.996
41401	MCCOY 5-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
42035	MCCOY 5-1 BP	3BPB	LA	DE SOTO	KINGSTON	2.806	795.364	1.004	284.550	0.431000	0.357761	210.716	77.047
40381	MCCOY 6-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41552	MCCOY 6-1 BP	3BPB	LA	DE SOTO	KINGSTON	2.818	798.560	1.128	319.795	0.451000	0.400464	288.063	107.455
35338	MCDOWELL ET AL 3-1 ALT 234	1PDP	LA	JACKSON	VERNON	0.000	2,081.727	0.000	1,457.209	0.919967	0.700000	2,309.543	1,025.623
40382	MCELROY HRS 1 NP (PET)	2PNP	TX	HARRISON	WOODLAWN	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40384	MCELROY HRS 2	1PDP	TX	HARRISON	WOODLAWN	0.253	283.920	0.099	110.729	0.500000	0.390000	87.994	61.431
40385	MCELROY HRS 3	1PDP	TX	HARRISON	WOODLAWN	6.886	835.150	2.691	326.405	0.500000	0.390834	640.391	338.073
40386	MCELROY HRS 4	1PDP	TX	HARRISON	WOODLAWN	1.271	323.865	0.496	126.307	0.500000	0.390000	146.208	103.076
1336	MC GILL 12 4	4PUD	TX	IRION	SUGG RANCH	1.228	239.557	0.928	179.410	0.970000	0.780268	1,213.097	313.144
1393	MC GILL 12 a 12	4PUD	TX	IRION	SUGG RANCH	1.228	239.557	0.928	179.410	0.970000	0.780268	1,213.097	310.667

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
1395	MOGILL 12 d 12	4PUD	TX	IRION	SUGG RANCH	1.228	239.557	0.928	179.410	0.970000	0.780268	1,213.097	313.144
1396	MOGILL 12 e 12	4PUD	TX	IRION	SUGG RANCH	1.228	239.557	0.928	179.410	0.970000	0.780268	1,213.097	310.667
1397	MOGILL 12 h 12	4PUD	TX	IRION	SUGG RANCH	1.228	239.557	0.928	179.410	0.970000	0.780268	1,213.097	313.144
1168	MOGILL 12-1	1PDP	TX	IRION	SUGG RANCH	0.367	124.641	0.270	91.675	0.925163	0.735518	827.932	440.862
1169	MOGILL 12-2	1PDP	TX	IRION	SUGG RANCH	0.196	85.118	0.144	62.606	0.925163	0.735518	489.435	278.106
1394	MOGILL 12-3 12	1PDP	TX	IRION	SUGG RANCH	0.384	141.763	0.296	107.839	0.970000	0.781552	1,036.092	603.880
1170	MOGILL 44-2-3	1PDP	TX	TOM GREEN	SUGG RANCH	9.336	29.706	7.245	23.051	0.970000	0.776000	435.782	261.290
1287	MOGILL 66-1	1PDP	TX	IRION	SUGG RANCH	0.281	0.543	0.219	0.423	0.970000	0.779047	1.799	1.731
40387	MCKINNEY 14-1	2PNP	LA	DE SOTO	HOLLY	0.028	6.960	0.010	2.517	0.469683	0.361590	0.086	0.081
41557	MCKINNEY 14-1 BP	3BPB	LA	DE SOTO	HOLLY	2.794	791.917	1.062	301.011	0.485844	0.380104	179.537	51.500
2665	MCKINNEY GAS UNIT #1	1PDP	TX	CHEROKEE	FT CHEROKEE	0.000	0.000	0.000	0.000	0.250000	0.202713	0.000	0.000
40388	MCMLLON 15-1	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41402	MCMLLON 15-2	1PDP	LA	CADDO	LONGWOOD	0.000	48.628	0.000	19.606	0.499217	0.403184	6.351	5.923
35069	MCNABB ET AL 8-1 ALT 22950	1PDP	LA	JACKSON	VERNON	0.000	344.217	0.000	272.105	1.000000	0.790505	163.317	119.721
38075	MCWHORTER-RUNDELL #1 1	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.328333	0.250531	0.000	0.000
40398	MEANS 23-10 ALT	1PDP	LA	DE SOTO	HOLLY	0.845	490.936	0.335	194.429	0.500000	0.396037	131.978	83.678
41091	MEANS 23-11	1PDP	LA	DE SOTO	HOLLY	0.000	886.353	0.000	351.029	0.500000	0.396037	313.801	171.998
42133	MEANS 23-11 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.746	1.108	313.957	0.500000	0.396037	196.900	65.435
42881	MEANS 23-12	1PDP	LA	DE SOTO	HOLLY	2.583	772.455	1.015	305.921	0.500000	0.396037	277.610	172.506
41389	MEANS 23-13	1PDP	LA	DE SOTO	HOLLY	0.000	1,086.514	0.000	430.300	0.500000	0.396037	459.004	234.680
43174	MEANS 23-13 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.747	1.108	313.957	0.500000	0.396037	196.900	61.897
41067	MEANS 23-15	1PDP	LA	DE SOTO	HOLLY	0.000	584.613	0.000	231.528	0.500000	0.396037	167.998	102.925
41873	MEANS 23-15 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.746	1.108	313.957	0.500000	0.396037	196.900	69.176
42122	MEANS 23-16 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.746	1.108	313.957	0.500000	0.396037	196.900	54.079
43251	MEANS 23-16 CVBP	3BPB	LA	DE SOTO	HOLLY	3.709	1,051.249	1.469	416.334	0.500000	0.396037	433.026	99.702
42117	MEANS 23-18	1PDP	LA	DE SOTO	HOLLY	2.848	584.445	1.128	231.462	0.500000	0.396037	156.660	96.176

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
42118	MEANS 23-18 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.746	1.108	313.957	0.500000	0.396037	196.900	59.961
40390	MEANS 23-2 ALT	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40391	MEANS 23-3 ALT	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40392	MEANS 23-4 ALT	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40393	MEANS 23-5	1PDP	LA	DE SOTO	HOLLY	0.000	640.405	0.000	253.624	0.500000	0.396037	166.199	97.167
40394	MEANS 23-6 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	763.090	0.000	302.212	0.500000	0.396037	162.807	97.090
40395	MEANS 23-7 ALT	1PDP	LA	DE SOTO	HOLLY	1.465	534.721	0.580	211.769	0.500000	0.396037	181.014	121.720
40396	MEANS 23-8 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	354.664	0.000	140.460	0.500000	0.396037	57.651	41.436
40397	MEANS 23-9 ALT	1PDP	LA	DE SOTO	HOLLY	1.222	522.594	0.484	206.967	0.500000	0.396037	151.744	93.632
40409	MEANS 26-10 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.015590	0.010918	0.000	0.000
40399	MEANS 26-2 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.013718	0.010918	0.000	0.000
40400	MEANS 26-3 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.013718	0.010918	0.000	0.000
40401	MEANS 26-4 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.013718	0.010918	0.000	0.000
40402	MEANS 26-5 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.013718	0.010918	0.000	0.000
40403	MEANS 26-6 ALT	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40404	MEANS 26-7 ALT	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40405	MEANS 26-8	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.015590	0.010918	0.000	0.000
40407	MEANS 26-9 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.015590	0.010918	0.000	0.000
42053	MEANS, HENRY 25-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40411	MEANS, RT 23-1	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40412	MEANS, RT 23-2	1PDP	LA	DE SOTO	HOLLY	0.000	810.500	0.000	320.988	0.500000	0.396037	257.235	146.077
41069	MEANS, RT 23-3	1PDP	LA	DE SOTO	HOLLY	0.000	551.182	0.000	218.288	0.500000	0.396037	158.932	96.017
42137	MEANS, RT 23-3 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.746	1.108	313.957	0.500000	0.396037	196.900	65.435
41068	MEANS, RT 23-4	1PDP	LA	DE SOTO	HOLLY	1.619	680.912	0.641	269.666	0.500000	0.396037	209.007	135.336
43266	MEANS, TR 26 H-1 CVHZ	1PDP	LA	DE SOTO	HOLLY	0.000	2,044.357	0.000	24.487	0.013689	0.011978	27.460	14.097
40413	MEANS, TR 26-1	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.015600	0.010918	0.000	0.000

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.



HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40414	MEANS, TR 26-2	1PDP	LA	DE SOTO	HOLLY	0.000	86.679	0.000	0.946	0.015590	0.010618	0.117	0.109
41247	MEIER 14-1	1PDP	LA	DE SOTO	KINGSTON	1.010	186.395	0.307	56.768	0.389636	0.304558	45.632	37.574
40416	MHS-CALDWELL 1	2PNP	TX	PANOLA	BETHANY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40418	MHS-JERNIGAN 1	1PDP	TX	PANOLA	BETHANY	0.000	149.268	0.000	55.335	0.492563	0.370711	37.289	29.901
40419	MHS-TMMN FURR 1	1PDP	TX	HARRISON	WASKOM	4.412	82.886	1.654	31.082	0.500000	0.375000	134.974	109.035
40420	MHS-TMMN FURR 2	2PNP	TX	HARRISON	WASKOM	0.025	5.647	0.009	2.118	0.500000	0.375000	0.189	0.177
40421	MHS-VANCE 1	1PDP	TX	HARRISON	WASKOM	43.620	136.954	16.357	51.358	0.500000	0.375000	1,203.961	655.661
40423	MHS-VANCE 3	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40424	MHS-VANCE 4	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.500000	0.375000	0.000	0.000
40426	MHS-WELLS 2	1PDP	TX	PANOLA	BETHANY	0.000	67.353	0.000	25.070	0.500000	0.372216	23.871	21.674
42033	MHS-WELLS 3	2PNP	TX	PANOLA	BETHANY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
43143	MHS-WELLS 4	2PNP	TX	PANOLA	BETHANY	0.000	108.645	0.000	40.439	0.500000	0.372216	12.683	7.709
34886	MIDDLE CONCHO 1904 b 1904	4PUD	TX	IRION	SUGG RANCH	43.847	83.353	31.899	60.639	0.970000	0.727500	2,195.037	1,017.564
2304	MIDDLE CONCHO 1904-2 1904-	1PDP	TX	IRION	SUGG RANCH	12.622	74.132	9.182	53.931	0.970000	0.727500	1,072.389	726.071
40427	MILES 19-1	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.000	0.000	0.000	0.000	0.497488	0.393571	0.000	0.000
40428	MILLER 7-1	1PDP	LA	DE SOTO	KINGSTON	0.000	952.660	0.000	210.936	0.282440	0.221418	138.685	77.259
40429	MILLS 19-1	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.898	296.831	0.353	116.799	0.497374	0.393486	67.972	45.834
40430	MILLS 19-2	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.244	103.087	0.096	40.563	0.497374	0.393486	9.654	8.280
40431	MILLS 21-1	1PDP	LA	CADDO	LONGWOOD	0.000	738.120	0.000	241.486	0.402265	0.327164	247.319	154.703
40432	MILLS 21-2	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.402265	0.327164	0.000	0.000
40433	MILLS 22-1	1PDP	LA	CADDO	LONGWOOD	0.000	6.437	0.000	2.620	0.500000	0.407024	0.096	0.097
40434	MINOR 7-1	2PNP	LA	DE SOTO	RED RIVER-BULL BAYOU	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40435	MITCHELL 1	1PDP	TX	HARRISON	WASKOM	0.929	232.355	0.373	93.158	0.500000	0.400928	96.073	66.927
40441	MORAN 21-1 ALT	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
42022	MORAN 26-1	1PDP	LA	DE SOTO	KINGSTON	0.000	237.356	0.000	112.752	0.476511	0.475033	78.360	58.511
41813	MORAN 27-1	1PDP	LA	DE SOTO	KINGSTON	0.000	1,178.685	0.000	568.715	0.475000	0.482500	738.623	351.878

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
42512	MORAN 27-2	1PDP	LA	DE SOTO	HOLLY	0.000	1,802.786	0.000	901.393	0.500000	0.500000	828.505	179.902
42498	MORAN 27-3	1PDP	LA	DE SOTO	KINGSTON	0.000	734.860	0.000	238.829	0.250000	0.325000	367.330	183.006
42504	MORAN 27-4	1PDP	LA	DE SOTO	HOLLY	0.000	361.884	0.000	180.942	0.500000	0.500000	162.614	110.683
42503	MORAN 27-5	2PNP	LA	DE SOTO	HOLLY	0.000	127.005	0.000	63.503	0.500000	0.500000	19.133	15.789
40442	MORAN 28-1	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40444	MORELOCK 2	1PDP	TX	PANOLA	CARTHAGE, N.	0.283	185.672	0.075	49.513	0.333333	0.266667	28.370	21.040
40445	MORELOCK 3	1PDP	TX	PANOLA	CARTHAGE, N.	0.000	48.236	0.000	12.863	0.333333	0.266667	4.270	3.873
40446	MORELOCK 4	1PDP	TX	PANOLA	BETHANY	0.000	0.000	0.000	0.000	0.333333	0.266667	0.000	0.000
40447	MORELOCK 5	2PNP	TX	PANOLA	CARTHAGE, N.	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40448	MOSLEY 35-1	1PDP	LA	DE SOTO	HOLLY	0.000	70.514	0.000	2.248	0.039907	0.031885	0.256	0.237
40450	MUDD 15-1	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.499217	0.403115	0.000	0.000
35335	MULLEN ET AL 17-1 ALT 23202	1PDP	LA	JACKSON	VERNON	0.000	734.845	0.000	589.891	1.000000	0.802743	608.657	231.472
40451	MULLIN 15-1	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.499217	0.403115	0.000	0.000
38076	MURPHY GU #1-01 1	1PDP	TX	GREGG	DANVILLE	15.045	286.103	5.741	109.169	0.500000	0.381571	254.760	145.855
38077	MURPHY OU #1-02	1PDP	TX	GREGG	DANVILLE	3.376	58.636	1.288	22.374	0.500000	0.381571	23.762	18.831
40452	MYERS 17-1 ALT	1PDP	LA	DE SOTO	KINGSTON	0.311	164.425	0.082	43.611	0.347606	0.265231	15.826	13.928
40453	MYERS 29-1	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.000	0.000	0.000	0.000	0.494849	0.394286	0.000	0.000
40464	N SEMPRA 1	1PDP	TX	PANOLA	CARTHAGE, N.	0.000	178.271	0.000	69.080	0.500000	0.387500	41.581	31.038
43318	N SEMPRA 2T	1PDP	TX	PANOLA	CARTHAGE, N.	0.000	0.000	0.000	0.000	0.500000	0.387500	0.000	0.000
40466	N SEMPRA 3	1PDP	TX	PANOLA	CARTHAGE, N.	0.000	337.087	0.000	130.621	0.500000	0.387500	114.472	76.739
41102	NABORS 7-2	1PDP	LA	DE SOTO	CASPIANA	0.000	175.246	0.000	58.706	0.437496	0.334962	29.477	25.744
40876	NABORS 7-3	1PDP	LA	DE SOTO	CASPIANA	0.000	346.626	0.000	124.241	0.468748	0.358429	51.562	40.384
40936	NABORS 7-4	1PDP	LA	DE SOTO	CASPIANA	0.000	283.574	0.000	101.641	0.468748	0.358429	41.643	33.944
40937	NABORS 7-5	1PDP	LA	DE SOTO	CASPIANA	0.000	521.326	0.000	186.858	0.468748	0.358429	86.897	57.503
42106	NABORS 7-6	1PDP	LA	DE SOTO	CASPIANA	0.000	7.196	0.000	2.579	0.468748	0.358429	0.024	0.024
40468	NABORS 8-1	1PDP	LA	DE SOTO	CASPIANA	0.000	53.760	0.000	14.282	0.354686	0.265663	0.835	0.802

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40469	NABORS 8-2	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.479686	0.359413	0.000	0.000
40470	NABORS 8-3	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.479686	0.359413	0.000	0.000
41103	NABORS 8-4	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.479686	0.359413	0.000	0.000
40879	NABORS 8-5	1PDP	LA	DE SOTO	CASPIANA	0.000	21.612	0.000	7.768	0.479686	0.359413	0.176	0.173
40939	NABORS 8-6	1PDP	LA	DE SOTO	CASPIANA	0.000	27.053	0.000	9.723	0.479686	0.359413	0.676	0.659
40940	NABORS 8-7	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40471	NARRAMORE 2T	1PDP	TX	HARRISON	WASKOM	1.794	232.004	0.695	89.892	0.500000	0.387458	137.704	105.954
40472	NARRAMORE 3	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40473	NARRAMORE 4	1PDP	TX	HARRISON	WASKOM	0.000	82.444	0.000	30.828	0.494315	0.373922	8.941	7.620
40474	NARRAMORE 5	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40475	NARRAMORE 6	1PDP	TX	HARRISON	WASKOM	1.162	241.025	0.417	86.562	0.471761	0.359139	128.669	99.781
40476	NARRAMORE 7	1PDP	TX	HARRISON	WASKOM	0.296	530.849	0.111	199.804	0.495362	0.376387	239.687	142.396
40477	NARRAMORE 8	1PDP	TX	HARRISON	WASKOM	5.156	57.183	1.859	20.618	0.471761	0.380561	141.975	121.430
40480	NARRAMORE 11	1PDP	TX	HARRISON	WASKOM	7.939	29.678	2.988	11.170	0.495347	0.376376	162.147	122.915
41413	NARRAMORE 12	1PDP	TX	HARRISON	WASKOM	0.000	503.586	0.000	190.264	0.497306	0.377819	194.394	123.777
41176	NARRAMORE 13	1PDP	TX	HARRISON	WASKOM	0.285	305.090	0.107	114.155	0.492500	0.374168	112.587	82.426
40481	NICHOLS 20-1	2PNP	LA	DE SOTO	HOLLY	0.000	52.832	0.000	15.429	0.395000	0.292040	1.597	1.477
35093	NIX 2-1 ALT 227054	1PDP	LA	JACKSON	VERNON	0.000	1,324.201	0.000	1,057.299	1.000000	0.798443	1,490.768	743.627
1453	NOELKE 14-1	1PDP	TX	IRION	SUGG RANCH	2.235	10.117	1.626	7.360	0.970000	0.727500	73.609	57.851
2380	NOELKE SUGG UNIT 01	1PDP	TX	IRION	SUGG RANCH	33.795	148.275	24.586	107.870	0.970000	0.727500	3,416.409	2,902.207
40509	O'KEEFE 14-1	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40510	O'KEEFE 14-2	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40484	COEN 25-1 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.064534	0.054650	0.000	0.000
40485	COEN 25-2 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.064534	0.054650	0.000	0.000
40486	COEN 25-3	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.064534	0.059603	0.000	0.000
46572	COEN HEIRS 26 H-1 CVHZ	1PDP	LA	DE SOTO	HOLLY	7.032	1,584.660	0.084	18.981	0.015600	0.011978	23.026	14.249

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40488	ODEN HEIRS 26-1	1PDP	LA	DE SOTO	HOLLY	0.000	36.061	0.000	0.394	0.013718	0.010918	0.097	0.090
40489	ODEN HEIRS 26-2	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40490	ODEN HEIRS 26-3	1PDP	LA	DE SOTO	HOLLY	0.000	314.148	0.000	3.430	0.013718	0.010918	1.691	1.373
40491	ODEN HEIRS 26-4	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40492	ODEN HEIRS 30-1	1PDP	LA	DE SOTO	HOLLY	0.000	1,074.876	0.000	404.308	0.500000	0.376144	411.645	216.145
40494	ODEN HEIRS 30-2	1PDP	LA	DE SOTO	HOLLY	0.000	71.478	0.000	26.886	0.500000	0.376144	2.221	2.090
40495	ODEN HEIRS 30-3	1PDP	LA	DE SOTO	HOLLY	0.335	459.756	0.126	172.935	0.500000	0.376144	62.270	42.891
40496	ODEN HEIRS 30-4	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40497	ODEN HEIRS 30-5	1PDP	LA	DE SOTO	HOLLY	0.000	368.400	0.000	138.571	0.500000	0.376144	50.839	38.947
40815	ODEN HEIRS 30-5 BP	3BPB	LA	DE SOTO	HOLLY	2.785	789.446	1.048	296.946	0.500000	0.376144	134.795	30.432
40498	ODEN HEIRS 31-1	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40499	ODEN HEIRS 31-2	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
43125	ODEN HEIRS 31-2 BP1	3BPB	LA	DE SOTO	HOLLY	2.785	789.295	1.001	283.630	0.479128	0.359048	138.419	38.264
40500	ODEN HEIRS 31-3	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40502	ODEN HEIRS 31-5	1PDP	LA	DE SOTO	HOLLY	0.000	1,010.868	0.000	357.657	0.479128	0.353812	268.410	163.692
40503	ODEN HEIRS 31-6	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40618	ODEN HEIRS 31-7 (R)	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40505	ODEN HEIRS 31-8	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
43153	ODEN, RAY JR 25-1	1PDP	LA	DE SOTO	HOLLY	0.000	766.552	0.000	41.892	0.054450	0.054650	41.486	22.238
43155	ODEN, RAY SR 35-4	1PDP	LA	DE SOTO	HOLLY	0.000	686.121	0.000	21.877	0.039907	0.031885	11.007	6.824
43310	ODEN, RP 35 H-2 ALT CVHZ	1PDP	LA	DE SOTO	HOLLY	0.000	1,443.415	0.000	46.023	0.039907	0.031885	39.936	22.746
40507	ODEN, RP 35-2 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.039907	0.031885	0.000	0.000
40508	ODEN, RP 35-3 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.039907	0.031885	0.000	0.000
40514	CLINKRAFT 32-2	1PDP	LA	DE SOTO	CASPIANA	0.084	15.900	0.028	5.301	0.431000	0.333427	2.439	2.375
40511	CLINKRAFT 5-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
42447	CLINKRAFT 5-10	1PDP	LA	DE SOTO	HOLLY	0.000	345.749	0.000	119.374	0.431000	0.345261	36.921	29.414

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
42712	OLINKRAFT 5-10 BP1	3BPB	LA	DE SOTO	HOLLY	2.800	794.344	0.984	278.815	0.431000	0.351000	193.779	61.146
41343	OLINKRAFT 5-11	1PDP	LA	DE SOTO	HOLLY	0.775	631.068	0.268	217.883	0.431000	0.345261	154.944	99.843
41949	OLINKRAFT 5-11 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.610	0.978	277.122	0.442125	0.349633	172.703	47.538
41393	OLINKRAFT 5-12	1PDP	LA	DE SOTO	HOLLY	1.270	521.476	0.439	180.045	0.431000	0.345261	141.283	98.657
41840	OLINKRAFT 5-12 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.609	0.978	277.122	0.442125	0.349633	172.703	54.411
40512	OLINKRAFT 5-2	1PDP	LA	DE SOTO	KINGSTON	0.425	142.088	0.154	51.334	0.451000	0.361283	22.418	19.284
41025	OLINKRAFT 5-3	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41838	OLINKRAFT 5-3 BP1	3BPB	LA	DE SOTO	KINGSTON	2.797	792.746	1.001	283.614	0.451000	0.357761	178.942	62.697
41027	OLINKRAFT 5-4	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
43176	OLINKRAFT 5-4 BP1	3BPB	LA	DE SOTO	KINGSTON	2.806	795.364	1.004	284.550	0.431000	0.357761	210.716	74.638
41344	OLINKRAFT 5-5	1PDP	LA	DE SOTO	KINGSTON	6.797	1,155.876	2.347	399.079	0.431000	0.345261	598.581	316.900
41951	OLINKRAFT 5-5 BP1	3BPB	LA	DE SOTO	KINGSTON	2.806	795.364	1.004	284.550	0.431000	0.357761	210.716	85.428
42445	OLINKRAFT 5-6	1PDP	LA	DE SOTO	HOLLY	0.661	602.194	0.228	207.914	0.431000	0.345261	141.153	99.039
42710	OLINKRAFT 5-6 BP1	3BPB	LA	DE SOTO	HOLLY	2.775	786.628	0.884	244.967	0.431000	0.311414	95.120	13.647
40989	OLINKRAFT 5-7	1PDP	LA	DE SOTO	HOLLY	1.551	399.793	0.535	138.033	0.431000	0.345261	87.279	59.143
41953	OLINKRAFT 5-7 BP1	3BPB	LA	DE SOTO	HOLLY	2.788	790.192	0.914	258.989	0.431000	0.327755	135.728	40.875
42446	OLINKRAFT 5-8	1PDP	LA	DE SOTO	HOLLY	1.033	775.077	0.356	267.604	0.431000	0.345261	189.179	123.131
42711	OLINKRAFT 5-8 BP1	3BPB	LA	DE SOTO	HOLLY	2.800	794.473	0.987	279.778	0.431000	0.352155	196.671	68.284
41024	OLINKRAFT 5-9	1PDP	LA	DE SOTO	HOLLY	1.025	201.200	0.354	69.466	0.431000	0.345261	46.090	37.882
41837	OLINKRAFT 5-9 BP1	3BPB	LA	DE SOTO	HOLLY	2.797	792.610	0.978	277.123	0.442125	0.349633	172.703	62.773
40513	OLINKRAFT 6-2	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35344	OSBORNE 19-1 ALT 231339	1PDP	LA	JACKSON	VERNON	0.000	1,399.163	0.000	243.740	0.227941	0.174204	326.013	165.608
35006	OXFORD 1 179702	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35211	OXFORD 16-1 ALT 230233	1PDP	LA	JACKSON	VERNON	0.000	274.193	0.000	207.433	1.000000	0.756522	146.896	113.221
35091	OXFORD 2 ALT 229001	1PDP	LA	JACKSON	VERNON	0.000	913.094	0.000	610.127	0.890539	0.668198	780.863	473.312
35075	OXFORD 3 ALT 231022	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.890539	0.668198	0.000	0.000

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
53703	OXFORD 3 ALT (CLEANOUT B	2PNP	LA	JACKSON	VERNON	0.000	-780.381	0.000	-521.449	0.890539	0.668198	-555.791	-202.815
53702	OXFORD 3 ALT (CLEANOUT W	2PNP	LA	JACKSON	VERNON	0.000	1,777.170	0.000	1,187.501	0.890539	0.668198	1,424.746	360.006
35150	OXFORD 4 ALT 229079	1PDP	LA	JACKSON	VERNON	0.000	1,319.804	0.000	881.890	0.890539	0.668198	1,173.848	606.365
35279	OXFORD 5 ALT 230699	1PDP	LA	JACKSON	VERNON	0.000	1,652.118	0.000	1,103.942	0.890539	0.668198	1,575.728	733.226
35878	PARDUE 28-1 ALT 238549	1PDP	LA	JACKSON	VERNON	0.000	954.050	0.000	546.982	0.753278	0.573326	738.581	446.390
40516	PARKER 31-1	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40517	PARKER 31-2	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
47131	PARSONS 1 1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41250	PASKER WARE 14-1	1PDP	LA	DE SOTO	KINGSTON	2.462	815.897	0.750	248.488	0.389836	0.304558	272.502	153.633
40898	PASKER WARE 14-2	1PDP	LA	DE SOTO	KINGSTON	0.000	136.711	0.000	47.278	0.429903	0.345825	14.098	12.208
35085	PATRICK CONE 7-1 ALT 22807	1PDP	LA	JACKSON	VERNON	0.000	74.927	0.000	60.334	0.996883	0.805237	23.165	21.124
35225	PATRICK CONE 7-2 ALT 23023	2PNP	LA	JACKSON	VERNON	0.000	3.219	0.000	2.592	0.996883	0.805237	0.124	0.117
53345	PATRICK CONE 7-2 ALT (WO)	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35271	PATRICK CONE 7-3 ALT 23048	1PDP	LA	JACKSON	VERNON	0.000	1,076.747	0.000	867.037	0.996883	0.805237	1,130.701	554.950
53741	PATSY JOHNSTON #1 BP	3BPB	TX	GREGG	DANVILLE	14.994	1,497.873	5.375	537.003	0.500000	0.358510	365.962	42.883
35031	PATTERSON ESTATE 1 18323	1PDP	LA	JACKSON	VERNON	0.000	62.744	0.000	48.062	0.977534	0.766001	16.966	15.637
35007	PATTERSON ESTATE 2-ALT 19	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35077	PATTERSON ESTATE 3-ALT 22	1PDP	LA	JACKSON	VERNON	0.000	2,117.349	0.000	1,621.891	0.977534	0.766001	2,743.189	1,192.195
35187	PATTERSON ESTATE 4-ALT 22	1PDP	LA	JACKSON	VERNON	0.000	1,677.145	0.000	1,284.816	0.978058	0.766337	2,025.369	910.985
35221	PATTERSON ESTATE 5-ALT 23	1PDP	LA	JACKSON	VERNON	0.000	524.002	0.000	401.562	0.977936	0.766337	339.150	210.720
35342	PATTERSON ESTATE 6-ALT 23	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40518	PATTERSON LAWSON 1	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.000	36.527	0.000	14.376	0.496827	0.393571	2.136	2.011
41299	PEACOCK 28-1	1PDP	LA	DE SOTO	CASPIANA	1.036	292.596	0.244	69.042	0.312831	0.235965	28.438	22.064
43157	PEACOCK 28-1 BP1	3BPB	LA	DE SOTO	HOLLY	2.783	788.839	0.753	213.474	0.362952	0.270618	100.887	25.844
41294	PEACOCK 28-2	1PDP	LA	DE SOTO	CASPIANA	0.222	68.758	0.052	16.224	0.312831	0.235965	2.999	2.825
41298	PEACOCK 28-3	1PDP	LA	DE SOTO	CASPIANA	1.118	176.287	0.264	41.588	0.312831	0.235965	24.488	20.749

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
41290	PEACOCK 28-4	1PDP	LA	DE SOTO	CASPIANA	1.211	133.352	0.286	31.466	0.312831	0.235965	15.225	13.352
42461	PEACOCK 29-1	1PDP	LA	DE SOTO	HOLLY	0.000	132.757	0.000	38.471	0.374723	0.289785	5.660	5.121
42692	PEACOCK 29-1 BP1	3BPB	LA	DE SOTO	HOLLY	2.796	792.334	0.835	236.570	0.379211	0.298573	144.862	45.990
42459	PEACOCK 29-2	1PDP	LA	DE SOTO	HOLLY	0.000	239.404	0.000	69.376	0.374723	0.289785	18.053	14.854
42690	PEACOCK 29-2 BP1	3BPB	LA	DE SOTO	HOLLY	2.796	792.334	0.835	236.570	0.379211	0.298573	144.862	41.479
41325	PERKINS 3-1	1PDP	LA	DE SOTO	KINGSTON	0.000	796.038	0.000	65.019	0.104605	0.081678	34.902	21.177
1178	PERRY 47-1	1PDP	TX	DAWSON	ACKERLY	4.568	1.190	1.038	0.271	0.300000	0.227250	23.041	22.008
40959	PETROHAWK 31-1	1PDP	LA	DE SOTO	CASPIANA	1.026	694.206	0.188	127.510	0.243353	0.183677	86.009	54.146
42090	PETROHAWK 31-1 BP1	3BPB	LA	DE SOTO	CASPIANA	2.786	789.746	0.512	145.058	0.243353	0.183677	73.196	17.028
42475	PETROHAWK 31-2	1PDP	LA	DE SOTO	HOLLY	0.961	719.529	0.177	132.161	0.243353	0.183677	105.056	62.290
42683	PETROHAWK 31-2 BP1	3BPB	LA	DE SOTO	HOLLY	2.781	788.220	0.478	135.563	0.232793	0.171986	60.768	12.747
42470	PETROHAWK 31-3	1PDP	LA	DE SOTO	HOLLY	0.000	172.293	0.000	31.646	0.243353	0.183677	11.619	10.149
42678	PETROHAWK 31-3 BP1	3BPB	LA	DE SOTO	HOLLY	2.781	788.220	0.478	135.563	0.232793	0.171986	60.768	12.747
42471	PETROHAWK 31-4	1PDP	LA	DE SOTO	HOLLY	0.300	929.162	0.055	170.666	0.243353	0.183677	98.919	64.380
42679	PETROHAWK 31-4 BP1	3BPB	LA	DE SOTO	HOLLY	2.784	788.991	0.495	140.307	0.238073	0.177831	66.979	14.194
42469	PETROHAWK 31-5	1PDP	LA	DE SOTO	HOLLY	0.901	845.973	0.163	152.634	0.243353	0.180424	87.849	60.510
42468	PETROHAWK 31-6	1PDP	LA	DE SOTO	HOLLY	4.434	939.831	0.800	169.568	0.243353	0.180424	165.021	96.722
40519	PIERRE, O 35-1 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.039907	0.031885	0.000	0.000
40522	PL RANCH 22-1	1PDP	LA	DE SOTO	HOLLY	0.000	299.423	0.000	118.272	0.500000	0.395000	40.334	30.083
40523	PL RANCH 22-2	1PDP	LA	DE SOTO	HOLLY	0.000	205.653	0.000	81.233	0.500000	0.395000	32.328	26.169
41066	PL RANCH 22-3	1PDP	LA	DE SOTO	HOLLY	0.000	267.472	0.000	105.651	0.500000	0.395000	48.510	40.591
2931	PNR HARRIS HEIRS 88-1	1PDP	TX	STERLING	HARRIS RANCH	10.381	0.000	4.017	0.000	0.500000	0.388979	173.648	116.277
35081	POOL 1 220184	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.945345	0.738964	0.000	0.000
40524	PORTER, RICHARD 3	1PDP	TX	PANOLA	BETHANY	0.000	0.000	0.000	0.000	0.500000	0.375000	0.000	0.000
36019	PRB-3Q07-UCV-#001	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	192.047
36020	PRB-3Q07-UCV-#002	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	177.384

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
36021	PRB-3Q07-UCV-#003	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	162.544
36022	PRB-3Q07-UCV-#004	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	174.588
36023	PRB-3Q07-UCV-#005	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	153.753
36024	PRB-3Q07-UCV-#006	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	154.980
36025	PRB-3Q07-UCV-#007	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	161.258
36026	PRB-3Q07-UCV-#008	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	167.791
36027	PRB-3Q07-UCV-#009	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	173.207
36028	PRB-3Q07-UCV-#010	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	170.478
36029	PRB-3Q07-UCV-#011	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	158.717
36030	PRB-3Q07-UCV-#012	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	171.837
36031	PRB-3Q07-UCV-#013	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	153.753
36032	PRB-3Q07-UCV-#014	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	173.207
36033	PRB-3Q07-UCV-#015	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	177.384
36034	PRB-3Q07-UCV-#016	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	166.463
36035	PRB-3Q07-UCV-#017	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	175.981
36036	PRB-3Q07-UCV-#018	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	181.661
36037	PRB-3Q07-UCV-#019	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	186.042
36038	PRB-3Q07-UCV-#020	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	180.224
36039	PRB-3Q07-UCV-#021	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	167.791
36040	PRB-3Q07-UCV-#022	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	161.258
36041	PRB-3Q07-UCV-#023	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	165.146
36042	PRB-3Q07-UCV-#024	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	159.982
36043	PRB-3Q07-UCV-#025	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	163.840
36044	PRB-3Q07-UCV-#026	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	183.110
36045	PRB-3Q07-UCV-#027	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	156.215
36046	PRB-3Q07-UCV-#028	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	169.129

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.



HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES ID.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
36047	PRB-3Q07-UCV-#029	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	184.570
36048	PRB-3Q07-UCV-#030	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	157.461
36049	PRB-3Q07-UCV-#031	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	154.980
36050	PRB-3Q07-UCV-#032	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	180.224
36051	PRB-3Q07-UCV-#033	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	153.753
36052	PRB-3Q07-UCV-#034	3BPB	LA	JACKSON	VERNON	9.021	394.005	6.495	283.683	0.910000	0.720000	318.469	153.753
41107	PRICE INVESTMENTS 4-1	1PDP	LA	DE SOTO	KINGSTON	1.326	195.158	0.325	47.876	0.331700	0.245319	26.670	23.856
2956	PROBANDT 55-1 I	1PDP	TX	TOM GREEN	SUGG RANCH	3.057	13.421	2.372	10.415	0.970000	0.776000	151.453	118.642
2958	PROBANDT 56-1 I	1PDP	TX	TOM GREEN	SUGG RANCH	3.808	79.502	2.955	61.694	0.970000	0.776000	691.258	424.964
40525	PRYOR 1	1PDP	TX	HARRISON	WASKOM	17.592	0.000	6.597	0.000	0.500000	0.375000	377.432	250.165
40526	PULLEN 14-1	1PDP	LA	DE SOTO	HOLLY	0.143	147.560	0.052	53.356	0.469683	0.361590	29.738	25.587
40825	PULLEN 14-1 BP	3BPB	LA	DE SOTO	HOLLY	2.794	791.917	1.082	301.011	0.485844	0.380104	179.537	59.916
40891	PURE 12-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
43145	PURE 13-1	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.015625	0.012500	0.000	0.000
43146	PURE 13-1 D	1PDP	LA	DE SOTO	HOLLY	0.000	50.345	0.000	0.629	0.015625	0.012500	0.148	0.141
40528	PURE 18-1	1PDP	LA	DE SOTO	KINGSTON	0.000	134.666	0.000	36.390	0.344712	0.270227	15.587	13.262
40626	PURE 18-1 BP1	3BPB	LA	DE SOTO	KINGSTON	2.795	792.056	0.755	214.035	0.344712	0.270227	128.729	37.702
41291	PURE 28-1	1PDP	LA	DE SOTO	CASPIANA	0.384	125.588	0.091	29.634	0.312831	0.235965	8.846	8.118
43142	PURE 28-1 BP1	3BPB	LA	DE SOTO	CASPIANA	2.783	788.839	0.753	213.474	0.362952	0.270618	100.887	26.258
41301	PURE 28-2	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.312831	0.235965	0.000	0.000
41295	PURE 28-3	1PDP	LA	DE SOTO	CASPIANA	0.000	34.708	0.000	8.190	0.312831	0.235965	0.696	0.675
40527	PURE 7-1	1PDP	LA	DE SOTO	CASPIANA	0.000	293.167	0.000	96.209	0.437498	0.334992	46.967	39.003
40529	PURE 7-2	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40938	PURE 7-3	1PDP	LA	DE SOTO	CASPIANA	0.000	247.652	0.000	88.766	0.468748	0.358429	35.304	29.151
40877	PURE 7-4	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41223	PURE 8-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35366	R LEWIS ET VIR 7-1 ALT 23490	1PDP	LA	JACKSON	VERNON	0.000	940.975	0.000	757.708	0.996883	0.805237	960.852	476.742
1186	RENFRO (GSHELT) 11 01	1PDP	TX	IRION	SUGG RANCH	2.088	67.569	1.550	50.140	0.970000	0.742050	464.802	294.408
1187	RENFRO 11 02 (Clr Fik)	1PDP	TX	IRION	SUGG RANCH	2.020	0.632	1.499	0.469	0.970000	0.742050	33.118	28.302
1467	RENFRO 11 04 11	4PUD	TX	IRION	SUGG RANCH	39.342	94.168	29.194	69.878	0.970000	0.742050	2,097.765	1,024.053
1464	RENFRO 11 05 11	1PDP	TX	IRION	SUGG RANCH	17.257	27.374	12.805	20.313	0.970000	0.742050	899.907	570.424
1466	RENFRO 11 06 11	1PDP	TX	IRION	SUGG RANCH	34.266	109.865	25.427	81.525	0.970000	0.742050	2,578.661	1,495.871
1469	RENFRO 11 3 11	1PDP	TX	IRION	SUGG RANCH	11.342	27.248	8.416	20.219	0.970000	0.742050	588.040	423.182
1470	RENFRO 11 7 11	1PDP	TX	IRION	SUGG RANCH	11.800	20.144	8.756	14.948	0.970000	0.742050	586.490	441.387
1465	RENFRO 11 b 11	4PUD	TX	IRION	SUGG RANCH	39.342	94.168	29.194	69.878	0.970000	0.742050	2,097.766	1,022.219
34865	RENFRO 11A 2 11	1PDP	TX	IRION	SUGG RANCH	54.642	92.316	39.752	67.160	0.970000	0.727500	3,623.190	2,186.130
34861	RENFRO 11A o 11	4PUD	TX	IRION	SUGG RANCH	39.289	93.948	28.583	68.347	0.970000	0.727500	2,030.017	966.830
34863	RENFRO 11A q 11	4PUD	TX	IRION	SUGG RANCH	39.289	93.948	28.583	68.347	0.970000	0.727500	2,030.016	979.023
34866	RENFRO 11A t 11	4PUD	TX	IRION	SUGG RANCH	39.289	93.948	28.583	68.347	0.970000	0.727500	2,030.017	966.830
34864	RENFRO 11A-1 11	1PDP	TX	IRION	SUGG RANCH	6.877	5.859	5.003	4.262	0.970000	0.727500	250.811	197.434
46878	REX BRYAN 34-1	1PDP	LA	CADDO	ELM GROVE	0.000	0.000	0.000	0.000	0.275000	0.212768	0.000	0.000
36266	RHODES 26-1 ALT 237512	1PDP	LA	JACKSON	VERNON	0.000	675.616	0.000	539.210	1.000000	0.798101	513.909	304.235
35097	RITCHIE 17-1 ALT 229110	1PDP	LA	JACKSON	VERNON	0.000	1,839.817	0.000	1,308.311	0.935714	0.711109	2,124.147	946.205
35165	RITCHIE 36-1 228907	1PDP	LA	JACKSON	VERNON	0.000	559.959	0.000	293.120	0.671935	0.523466	311.387	206.849
54142	RK ABNEY B 9H	1PDP	TX	HARRISON	WASKOM	0.475	146.162	0.067	20.554	0.187500	0.140625	0.935	0.930
35050	ROBERT CONE 12-1 225356	1PDP	LA	JACKSON	VERNON	0.000	151.646	0.000	121.081	1.000000	0.798443	27.324	23.004
35098	ROBERT CONE 12-2 ALT 2277	1PDP	LA	JACKSON	VERNON	0.000	501.263	0.000	400.230	1.000000	0.798443	332.316	210.931
35185	ROBERT CONE 12-3 ALT 2300	1PDP	LA	JACKSON	VERNON	0.000	903.597	0.000	721.470	1.000000	0.798443	884.358	447.979
50787	ROBERT CONE 12-3 ALT (CLE	2PNP	LA	JACKSON	VERNON	0.000	-1,035.058	0.000	-826.434	1.000000	0.798443	-1,100.195	-347.955
50786	ROBERT CONE 12-3 ALT (CLE	2PNP	LA	JACKSON	VERNON	0.000	1,850.951	0.000	1,477.879	1.000000	0.798443	1,861.398	462.729
35326	ROBERT CONE ET AL 1-1 ALT	1PDP	LA	JACKSON	VERNON	0.000	189.141	0.000	151.019	1.000000	0.798443	70.795	58.081
35360	ROBERT CONE ET AL 1-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	453.315	0.000	361.946	1.000000	0.798443	220.357	138.739

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
36002	ROBERT CONE ET AL 1-3 ALT	1PDP	LA	JACKSON	VERNON	0.000	8.264	0.000	6.599	1.000000	0.798443	0.623	0.614
35110	ROBERTA HINTON ET AL 12-1	1PDP	LA	JACKSON	VERNON	0.000	672.846	0.000	530.659	1.000000	0.798679	667.612	426.132
40532	ROBERTS 9-1	2PNP	LA	DE SOTO	KINGSTON	0.841	827.589	0.223	219.224	0.350512	0.264895	87.302	50.532
42056	ROBERTS 9-1 BP2	3BPB	LA	DE SOTO	KINGSTON	2.786	789.746	0.738	209.200	0.350512	0.264895	106.266	27.666
40533	ROBERTS 9-2	1PDP	LA	DE SOTO	KINGSTON	2.384	788.200	0.631	208.790	0.350512	0.264895	147.137	93.724
41108	ROBERTS 9-3	1PDP	LA	DE SOTO	KINGSTON	2.631	869.838	0.697	230.416	0.350512	0.264895	106.458	70.960
41109	ROBERTS 9-4	1PDP	LA	DE SOTO	KINGSTON	2.338	1,179.048	0.619	312.324	0.350512	0.264895	299.803	188.388
35035	ROBINSON 1 190586	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35171	ROBINSON 11-1 ALT 229824	1PDP	LA	JACKSON	VERNON	0.000	967.744	0.000	772.688	1.000000	0.798443	928.734	492.819
35177	ROBINSON 11-2 ALT 229830	1PDP	LA	JACKSON	VERNON	1.468	2,357.002	0.980	1,573.567	0.895833	0.667614	3,900.585	2,223.154
35320	ROBINSON 11-3 ALT 232908	1PDP	LA	JACKSON	VERNON	0.000	761.894	0.000	508.651	0.895833	0.667614	480.391	267.487
41277	ROE 2-1	1PDP	LA	DE SOTO	KINGSTON	0.000	8.646	0.000	0.054	0.007800	0.006250	0.002	0.002
40931	ROE 6-1	1PDP	LA	DE SOTO	CASPIANA	0.000	262.479	0.000	32.731	0.181442	0.124698	16.536	14.071
41249	ROLAND WARE 14-1	1PDP	LA	DE SOTO	KINGSTON	0.000	126.515	0.000	38.531	0.288636	0.304558	11.348	10.071
38089	ROMA UTZMAN OU #1	1PDP	TX	GREGG	DANVILLE	5.733	75.554	2.148	28.309	0.497551	0.374683	74.017	54.281
40534	RUDD 1	1PDP	TX	HARRISON	WASKOM	1.078	107.847	0.441	44.095	0.499023	0.408869	39.603	30.218
40536	RUDD 5	1PDP	TX	HARRISON	WASKOM	7.551	819.756	2.881	312.762	0.499028	0.381530	671.311	342.242
40537	RUDD 6	1PDP	TX	HARRISON	WASKOM	0.000	1,092.270	0.000	416.734	0.499028	0.381530	604.095	301.250
40542	RUDD 14	1PDP	TX	HARRISON	WASKOM	2.063	58.771	0.827	23.562	0.498961	0.400907	42.627	34.164
40543	RUDD 17	1PDP	TX	HARRISON	WASKOM	0.059	14.668	0.024	5.881	0.498962	0.400908	0.706	0.676
40545	RUDD B 12	1PDP	TX	HARRISON	BETHANY, NE	13.826	0.000	5.401	0.000	0.498897	0.390649	174.572	104.279
40546	RUDD C 16	1PDP	TX	HARRISON	BETHANY, NE	79.430	0.000	31.033	0.000	0.498961	0.390698	1,876.478	615.048
40547	RUDD D 15	1PDP	TX	HARRISON	BETHANY, NE	7.552	0.000	2.950	0.000	0.498962	0.390699	80.275	53.692
40548	RUDD E 18	1PDP	TX	HARRISON	BETHANY, NE	71.872	0.000	28.080	0.000	0.498961	0.390698	1,911.927	966.737
38078	RUNDELL-MCWHORTER #1 1	1PDP	TX	GREGG	DANVILLE	0.400	312.576	0.114	89.091	0.374609	0.285021	4.499	4.081
38079	RUNDELL-MCWHORTER #2 2	1PDP	TX	GREGG	DANVILLE	0.000	165.949	0.000	63.321	0.500000	0.381571	4.457	4.127

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40549	SABINE UPLIFT 12-1	2PNP	LA	DE SOTO	KINGSTON	0.000	230.941	0.000	76.308	0.440052	0.330420	14.440	12.006
40896	SABINE UPLIFT 13-1	1PDP	LA	DE SOTO	CASPIANA	0.000	1,404.211	0.000	485.253	0.454385	0.345570	421.492	222.817
42833	SALLEY 12-1	1PDP	LA	DE SOTO	KINGSTON	0.000	601.195	0.000	198.647	0.440052	0.330420	108.506	80.337
40945	SAMMO PARTNERSHIP 12-1	1PDP	LA	DE SOTO	KINGSTON	0.000	421.069	0.000	139.129	0.440052	0.330420	85.685	64.432
40890	SAMMO PARTNERSHIP 12-2	1PDP	LA	DE SOTO	CASPIANA	0.000	204.438	0.000	67.550	0.440052	0.330420	26.587	22.423
40551	SAMMO PARTNERSHIP 13-1	1PDP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.454385	0.345570	0.000	0.000
40550	SAMMO PARTNERSHIP 18-1	2PNP	LA	DE SOTO	CASPIANA	0.000	52.760	0.000	20.134	0.500000	0.381619	7.154	6.377
53742	SAMMO PARTNERSHIP 18-1 B	3BPB	LA	DE SOTO	CASPIANA	2.789	790.485	1.064	301.648	0.500000	0.381599	148.377	40.052
41112	SAMMO PARTNERSHIP 18-2	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40907	SAMMO PARTNERSHIP 18-3	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41271	SAMMO PARTNERSHIP 18-4	1PDP	LA	DE SOTO	CASPIANA	0.000	771.279	0.000	294.335	0.500000	0.381619	254.353	142.496
42054	SAMMO PARTNERSHIP 8-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41220	SAMMO PARTNERSHIP 8-3	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41113	SAMUELS 23-1	1PDP	LA	DE SOTO	KINGSTON	0.000	443.211	0.000	91.781	0.178838	0.207083	119.572	86.502
40553	SANDERS A 2	1PDP	TX	HARRISON	WASKOM	28.087	145.340	10.533	54.502	0.500000	0.375000	663.773	329.768
40556	SANDERS A 5	2PNP	TX	HARRISON	WASKOM	5.758	19.193	2.159	7.197	0.500000	0.375000	96.860	71.968
40552	SANDERS A 1	1PDP	TX	HARRISON	WASKOM	0.000	796.794	0.000	299.155	0.500000	0.375448	426.895	224.508
40562	SCHUFORD 29-1	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.278	98.385	0.109	38.792	0.494949	0.394286	10.167	8.636
40563	SCHULZE #1C	2PNP	TX	PANOLA	BETHANY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40944	SCOTT 12-1	1PDP	LA	DE SOTO	KINGSTON	0.000	174.199	0.000	57.559	0.440052	0.330420	23.581	19.614
40564	SCOTT 17-1 ALT	1PDP	LA	DE SOTO	KINGSTON	0.000	705.844	0.000	187.212	0.347606	0.265231	127.038	73.320
40830	SCOTT 17-1 ALT BP	3BPB	LA	DE SOTO	KINGSTON	2.788	790.192	0.747	211.799	0.352596	0.268035	110.795	31.488
40565	SCOTT 17-2 ALT	1PDP	LA	DE SOTO	KINGSTON	0.801	405.188	0.213	107.468	0.347606	0.265231	75.156	57.405
41586	SCOTT 17-2 ALT BP	3BPB	LA	DE SOTO	KINGSTON	2.788	790.191	0.747	211.799	0.352596	0.268035	110.795	34.913
40566	SCOTT 17-3 ALT	1PDP	LA	DE SOTO	KINGSTON	5.144	893.668	1.364	234.376	0.347606	0.265231	257.769	167.453
41114	SCOTT 17-4	1PDP	LA	DE SOTO	KINGSTON	0.000	35.946	0.000	9.534	0.347606	0.265231	0.991	0.951

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
41742	SCOTT 17-4 BP	3BPB	LA	DE SOTO	KINGSTON	2.787	790.044	0.738	211.759	0.352596	0.267701	101.209	25.594
40567	SCOTT 19-2	1PDP	LA	DE SOTO	HOLLY	0.000	733.635	0.000	224.536	0.404281	0.306059	133.036	82.315
40568	SCOTT 19-3 ALT	1PDP	LA	DE SOTO	HOLLY	0.111	711.779	0.030	191.188	0.358142	0.268908	95.733	58.523
40569	SCOTT 19-4 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	545.945	0.000	146.564	0.358142	0.268460	58.163	38.237
40833	SCOTT 19-5 ALT (R)	1PDP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.358142	0.268906	0.000	0.000
41053	SCOTT 19-6	1PDP	LA	DE SOTO	HOLLY	0.000	211.380	0.000	67.051	0.422970	0.317204	19.942	17.103
41859	SCOTT 19-6 BP1	3BPB	LA	DE SOTO	HOLLY	2.785	789.295	0.883	250.368	0.422970	0.317204	111.562	23.226
42890	SCOTT 19-7	1PDP	LA	DE SOTO	HOLLY	0.000	206.182	0.000	65.402	0.422970	0.317204	24.632	20.775
43062	SCOTT 19-7 BP1	3BPB	LA	DE SOTO	HOLLY	2.785	789.295	0.748	212.009	0.358142	0.268908	94.512	14.449
42891	SCOTT 19-8	1PDP	LA	DE SOTO	HOLLY	0.000	977.016	0.000	309.913	0.422970	0.317204	226.415	132.677
43063	SCOTT 19-8 BP1	3BPB	LA	DE SOTO	HOLLY	2.785	789.295	0.748	212.005	0.358150	0.268900	94.484	19.214
40571	SCOTT 20-1 ALT	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40572	SEMPRA 1	1PDP	TX	PANOLA	CARTHAGE, N.	0.000	466.193	0.000	180.650	0.500000	0.387500	205.276	121.835
40573	SEMPRA 2	1PDP	TX	PANOLA	CARTHAGE, N.	0.000	467.616	0.000	181.201	0.500000	0.387500	220.827	128.981
40574	SEMPRA 3	1PDP	TX	PANOLA	CARTHAGE, N.	0.000	182.845	0.000	70.853	0.500000	0.387500	52.438	40.218
40575	SHARP 10-1	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.445265	0.353302	0.000	0.000
40576	SHARP 11-1	1PDP	LA	CADDO	LONGWOOD	0.476	32.531	0.173	11.789	0.457984	0.362401	5.265	4.851
2290	SHEEN 08 i 8 l	4PUD	TX	IRION	SUGG RANCH	24.251	42.598	18.348	32.230	0.970000	0.756600	815.368	260.308
2288	SHEEN 08 n 8 n	4PUD	TX	IRION	SUGG RANCH	24.251	42.598	18.348	32.230	0.970000	0.756600	815.369	258.249
2297	SHEEN 08 a c 8 a c	4PUD	TX	IRION	SUGG RANCH	24.146	42.300	17.566	30.773	0.970000	0.727500	738.505	218.292
2282	SHEEN 10-1,2,3,4,5,6,7,8,9,10,1	1PDP	TX	IRION	SUGG RANCH	123.856	958.215	93.710	724.986	0.970000	0.756600	12,074.860	6,669.191
2278	SHEEN 10A 11 10 j	4PUD	TX	IRION	SUGG RANCH	22.377	131.509	16.930	99.500	0.970000	0.756600	2,184.949	1,380.023
2272	SHEEN 10A p 10 p	4PUD	TX	IRION	SUGG RANCH	22.377	131.509	16.930	99.500	0.970000	0.756600	1,491.399	623.802
2279	SHEEN 10A-13 10 i	1PDP	TX	IRION	SUGG RANCH	14.648	27.865	10.657	20.272	0.970000	0.727500	766.304	519.355
34841	SHEEN 8 m	4PUD	TX	IRION	SUGG RANCH	24.251	42.598	18.348	32.230	0.970000	0.756600	815.369	258.249
2291	SHEEN 8-1,2,3 8 0 i	1PDP	TX	IRION	SUGG RANCH	36.328	84.423	27.486	63.874	0.970000	0.756600	1,896.497	1,130.171

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
2296	SHEEN 8A-4 8A-4	1PDP	TX	IRION	SUGG RANCH	43.253	120.069	31.467	87.350	0.970000	0.727500	3,114.648	1,785.169
34878	SHEEN 8B-02 2	1PDP	TX	IRION	SUGG RANCH	156.586	122.677	117.425	72.119	1.000000	0.750000	9,861.104	5,635.943
34877	SHEEN 8B-1 1	1PDP	TX	IRION	SUGG RANCH	51.825	754.756	38.888	447.553	1.000000	0.750000	8,754.635	4,263.910
34880	SHEEN 8B-3 4	1PDP	TX	IRION	SUGG RANCH	29.298	175.732	21.973	106.229	1.000000	0.750000	2,723.737	1,579.975
34879	SHEEN 8B-4 4	4PUD	TX	IRION	SUGG RANCH	143.992	24.494	107.994	15.031	1.000000	0.750000	8,134.837	4,095.703
40577	SHELburn 1	1PDP	TX	HARRISON	LONGWOOD	0.401	445.850	0.161	178.868	0.500000	0.401364	216.482	138.844
40578	SHELburn 2	1PDP	TX	HARRISON	WASKOM	1.811	150.912	0.718	59.799	0.500000	0.396250	74.939	56.013
40579	SHELBY 1	1PDP	TX	HARRISON	WASKOM	0.000	55.138	0.000	15.007	0.388833	0.272182	1.908	1.757
35300	SIMONTON 12-1 ALT 230416	1PDP	LA	JACKSON	VERNON	0.000	206.194	0.000	19.600	0.126374	0.095058	11.251	9.394
35341	SIMONTON 12-2 ALT 231388	1PDP	LA	JACKSON	VERNON	0.000	535.980	0.000	50.948	0.126374	0.095058	50.135	35.828
35020	SIMONTON 16-1 224865	1PDP	LA	JACKSON	VERNON	0.000	682.157	0.000	485.088	0.935714	0.711109	550.177	352.760
35134	SIMONTON ETAL 12-1 ALT 229	1PDP	LA	JACKSON	VERNON	0.000	82.472	0.000	33.050	0.522804	0.400745	17.658	16.182
35289	SIMONTON ETAL 12-2 ALT 230	1PDP	LA	JACKSON	VERNON	0.000	530.049	0.000	212.415	0.522804	0.400745	172.300	104.641
40581	SIMS 23-1	1PDP	LA	CADDO	GREENWOOD-WASKOM	0.009	2.319	0.003	0.690	0.334140	0.297402	0.027	0.026
1736	SJT E2,4,5,7,8,9,12,13,14,15,16,	1PDP	TX	IRION	SUGG RANCH	208.712	1,408.127	151.838	1,024.413	0.970000	0.727500	17,038.248	10,107.962
40582	SL 18353 8-1	1PDP	LA	DE SOTO	KINGSTON	0.821	427.299	0.272	141.447	0.437340	0.331025	68.925	47.835
41588	SL 18353 8-1 BP	3BPB	LA	DE SOTO	KINGSTON	2.787	789.895	0.923	261.501	0.437340	0.331058	133.944	31.019
40839	SL 18353 8-2 (R)	1PDP	LA	DE SOTO	KINGSTON	0.000	3.880	0.000	1.284	0.437340	0.330985	0.007	0.007
41754	SL 19027 16-1	1PDP	LA	DE SOTO	CASPIANA	0.000	453.201	0.000	43.335	0.127493	0.095620	13.414	9.773
40584	SL 6760 5-2	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40585	SL 6760 5-3	1PDP	LA	DE SOTO	KINGSTON	0.000	330.078	0.000	119.252	0.451000	0.361283	26.968	23.015
40843	SMITH 8-1 (R)	1PDP	LA	DE SOTO	KINGSTON	0.378	190.732	0.124	63.137	0.437340	0.331025	21.327	19.020
40588	SMITH 13-1 D	1PDP	LA	DE SOTO	HOLLY	0.000	147.853	0.000	1.846	0.015625	0.012500	0.301	0.280
40844	SMITH 17-1 ALT (R)	1PDP	LA	DE SOTO	KINGSTON	0.000	193.547	0.000	51.335	0.347601	0.265231	8.353	7.393
40590	SMITH 23-1 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	889.439	0.000	352.251	0.500000	0.396037	289.775	156.100
40591	SMITH 23-2 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	685.417	0.000	271.450	0.500000	0.396037	141.475	98.286

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40592	SMITH 24-1 ALT	1PDP	LA	DE SOTO	HOLLY	0.000	743.383	0.000	289.368	0.479625	0.389259	228.779	129.060
35087	SMITH 9-1 ALT 227675	1PDP	LA	JACKSON	VERNON	0.000	2,069.973	0.000	1,585.602	0.977534	0.766001	2,522.450	1,148.780
35333	SMITH 9-2 ALT 232835	1PDP	LA	JACKSON	VERNON	0.000	806.524	0.000	619.146	0.979336	0.767672	719.860	387.138
871	SMITH A M #1 044573	2PNP	LA	DE SOTO	LOGANSPO	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
876	SMITH A M #1 BP2 (3BP) 0445	3BPB	LA	DE SOTO	LOGANSPO	0.000	397.221	0.000	88.272	0.301441	0.222223	55.596	28.444
40594	SMITH HEIRS 30-2	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40595	SMITH HEIRS 30-3	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40596	SMITH HEIRS 30-4	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1552	SNELL 36-5	1PDP	TX	DAWSON	ACKERLY	35.403	14.236	9.293	3.737	0.350000	0.262500	667.530	487.596
1553	SNELL 36-6	1PDP	TX	DAWSON	ACKERLY	8.464	0.233	2.222	0.061	0.350000	0.262500	131.770	112.740
1201	SNELL-ADAMS #1	1PDP	TX	DAWSON	ACKERLY	33.941	5.665	6.455	1.077	0.250000	0.190195	449.470	349.239
38080	STARR DICKSON GU #1-02 2	1PDP	TX	GREGG	DANVILLE	3.031	159.197	1.161	60.990	0.500000	0.383113	24.196	18.873
38081	STARR DICKSON GU #1-07 7	1PDP	TX	GREGG	DANVILLE	0.584	291.728	0.224	111.765	0.500000	0.383113	12.818	11.193
38082	STARR DICKSON GU #1-08 8	1PDP	TX	GREGG	DANVILLE	0.000	688.047	0.000	263.468	0.499750	0.382921	72.143	52.752
38083	STARR DICKSON GU #1-09 9	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.499750	0.382921	0.000	0.000
38084	STARR DICKSON GU #1-10 10	1PDP	TX	GREGG	DANVILLE	0.466	55.245	0.179	21.165	0.500000	0.383113	2.897	2.715
38085	STARR DICKSON GU #1-11 11	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.383113	0.000	0.000
38086	STARR DICKSON GU #1-12 12	1PDP	TX	GREGG	DANVILLE	0.000	288.585	0.000	110.560	0.500000	0.383113	19.421	16.836
38087	STARR DICKSON GU #1-13 13	1PDP	TX	GREGG	DANVILLE, EAST	0.000	0.000	0.000	0.000	0.500000	0.383113	0.000	0.000
38153	STARR DICKSON GU #1-14	1PDP	TX	GREGG	DANVILLE	3.551	564.322	1.380	216.199	0.500000	0.383113	69.723	55.405
38155	STARR DICKSON GU #1-15	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.383113	0.000	0.000
38139	STARR DICKSON GU #1-16	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.383113	0.000	0.000
38157	STARR DICKSON GU #1-17	1PDP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.500000	0.383113	0.000	0.000
38088	STARR DICKSON OU #1-6	1PDP	TX	GREGG	DANVILLE	3.903	47.438	1.510	18.353	0.500000	0.386885	68.539	57.758
40600	STEELE 2	1PDP	TX	HARRISON	WASKOM	5.357	24.950	2.046	9.531	0.489744	0.382000	89.184	67.996
40602	STEELE 4	1PDP	TX	HARRISON	WASKOM	2.995	299.484	1.133	113.295	0.485000	0.378300	214.793	138.973

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40603	STEELE 5	1PDP	TX	HARRISON	WASKOM	11.925	75.915	4.509	28.705	0.484772	0.378122	229.388	137.639
40604	STEELE 6	1PDP	TX	HARRISON	WASKOM	11.884	0.000	4.540	0.000	0.489744	0.382000	219.253	148.666
41372	STEPHENSON 10-1	1PDP	LA	DE SOTO	KINGSTON	0.000	120.444	0.000	16.913	0.187227	0.140420	4.794	4.375
41230	STEPHENSON 11-1	1PDP	LA	DE SOTO	KINGSTON	0.000	178.693	0.000	47.816	0.341877	0.267585	10.586	9.180
35355	STEWART HARRISON 20-1 AL	1PDP	LA	JACKSON	VERNON	0.000	940.844	0.000	546.287	0.800290	0.580635	597.646	340.044
35391	STEWART HARRISON 20-2 AL	1PDP	LA	JACKSON	VERNON	0.000	980.146	0.000	591.725	0.830535	0.603711	712.067	371.627
35868	STEWART HARRISON 20-3 AL	1PDP	LA	JACKSON	VERNON	0.000	575.773	0.000	334.772	0.801858	0.582203	315.036	211.001
35430	STEWART HARRISON 20-4 AL	1PDP	LA	JACKSON	VERNON	0.000	1,018.568	0.000	591.486	0.801858	0.582203	665.719	368.296
35874	STEWART HARRISON 20-5 AL	1PDP	LA	JACKSON	VERNON	0.000	603.990	0.000	353.505	0.805843	0.585282	298.771	183.285
35873	STEWART HARRISON 20A-2 A	1PDP	LA	JACKSON	VERNON	0.000	265.550	0.000	186.560	0.942227	0.702543	122.357	93.548
35156	STEWART HARRISON 25-1 228	1PDP	LA	JACKSON	VERNON	0.000	1,038.709	0.000	660.417	0.953332	0.732945	829.845	428.623
35312	STEWART HARRISON 25-10 A	1PDP	LA	JACKSON	VERNON	0.000	1,688.514	0.000	1,192.638	0.926710	0.706324	1,733.138	833.393
35155	STEWART HARRISON 25-2 AL	1PDP	LA	JACKSON	VERNON	0.000	1,517.437	0.000	1,071.802	0.926710	0.706324	1,472.225	693.274
35161	STEWART HARRISON 25-3 AL	1PDP	LA	JACKSON	VERNON	0.000	1,129.505	0.000	797.796	0.926710	0.706324	1,039.494	508.573
35213	STEWART HARRISON 25-4 AL	1PDP	LA	JACKSON	VERNON	0.000	1,711.169	0.000	1,208.640	0.926710	0.706324	1,715.693	786.783
35231	STEWART HARRISON 25-5 229	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35163	STEWART HARRISON 25-6 AL	1PDP	LA	JACKSON	VERNON	0.000	360.210	0.000	254.425	0.926710	0.706324	207.686	153.062
35264	STEWART HARRISON 25-7 AL	1PDP	LA	JACKSON	VERNON	0.000	1,443.261	0.000	877.955	0.926710	0.706324	1,181.679	582.709
35328	STEWART HARRISON 25-8 AL	1PDP	LA	JACKSON	VERNON	0.000	1,625.951	0.000	1,148.448	0.926710	0.706324	1,848.151	1,032.334
35313	STEWART HARRISON 25-9 AL	1PDP	LA	JACKSON	VERNON	0.000	1,282.344	0.000	905.750	0.926710	0.706324	1,215.947	647.936
35364	STEWART HARRISON 26-1 AL	1PDP	LA	JACKSON	VERNON	0.000	528.018	0.000	406.623	1.000000	0.770062	319.591	195.200
35879	STEWART HARRISON 28-1 AL	1PDP	LA	JACKSON	VERNON	0.000	2,567.846	0.000	1,510.179	0.782176	0.590736	2,499.930	1,089.656
35145	STEWART HARRISON 30-1 AL	1PDP	LA	JACKSON	VERNON	0.000	1,246.077	0.000	937.281	0.988084	0.752185	1,230.916	595.960
35158	STEWART HARRISON 30-2 AL	1PDP	LA	JACKSON	VERNON	0.000	2,197.038	0.000	1,652.580	0.988084	0.752185	2,615.414	1,188.883
35198	STEWART HARRISON 30-3 AL	1PDP	LA	JACKSON	VERNON	0.000	2,479.342	0.000	1,864.924	0.988084	0.752185	3,267.599	1,494.221
35214	STEWART HARRISON 30-5 AL	1PDP	LA	JACKSON	VERNON	0.000	2,341.794	0.000	1,761.462	0.988084	0.752185	3,005.536	1,335.485

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.



HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35199	STEWART HARRISON 30-6 AL	1PDP	LA	JACKSON	VERNON	0.000	2,287.327	0.000	1,720.493	0.988084	0.752185	2,692.655	1,198.512
35197	STEWART HARRISON 30-7 AL	1PDP	LA	JACKSON	VERNON	0.460	4,620.053	0.346	3,475.134	0.988084	0.752185	6,782.527	2,770.914
35343	STEWART HARRISON 30-9 AL	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35167	STEWART HARRISON 34-1 228	1PDP	LA	JACKSON	VERNON	0.000	228.301	0.000	175.865	1.000000	0.770321	102.720	80.380
35345	STEWART HARRISON 34-2 232	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35168	STEWART HARRISON 34-4 AL	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35166	STEWART HARRISON 35-1 228	1PDP	LA	JACKSON	VERNON	0.000	399.527	0.000	246.658	0.799337	0.617374	206.516	145.335
40605	STILES 18-1	1PDP	LA	DE SOTO	CASPIANA	0.000	132.464	0.000	50.551	0.500000	0.381619	15.749	14.123
40606	STILES 18-2	1PDP	LA	DE SOTO	CASPIANA	0.000	193.525	0.000	73.853	0.500000	0.381619	26.178	22.331
40607	STRENGTH 1	1PDP	TX	HARRISON	WASKOM	4.275	178.142	1.651	68.807	0.500000	0.398250	183.751	138.941
40608	STRONG 11-1	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
42052	STUCK 32-1	1PDP	LA	DE SOTO	CASPIANA	2.141	865.619	0.712	288.024	0.431000	0.332737	253.839	155.989
43261	STUCK 32-1 BP1	3BPB	LA	DE SOTO	CASPIANA	2.792	791.352	0.931	264.008	0.431000	0.333617	150.339	47.278
35175	STURGIS-NIX 11-1 ALT 229131	1PDP	LA	JACKSON	VERNON	0.000	630.718	0.000	441.854	0.920710	0.700557	446.117	273.806
36001	STURGIS-NIX 11-2 ALT 238923	1PDP	LA	JACKSON	VERNON	0.000	2,820.944	0.000	1,975.287	0.920267	0.700222	3,337.729	1,446.966
1413	SUGG 01 07 01 07	4PUD	TX	IRION	SUGG RANCH	16.777	158.445	12.205	115.269	0.970000	0.727500	1,306.356	462.692
1697	SUGG 01 m 1	4PUD	TX	IRION	SUGG RANCH	16.777	158.445	12.205	115.269	0.970000	0.727500	1,306.356	466.382
1700	SUGG 01 e 1	4PUD	TX	IRION	SUGG RANCH	16.777	158.445	12.205	115.269	0.970000	0.727500	1,306.356	466.382
1390	SUGG 05 a 05	4PUD	TX	IRION	SUGG RANCH	8.959	173.444	6.518	126.180	0.970000	0.727500	991.795	258.644
1633	SUGG 05 b 5	4PUD	TX	IRION	SUGG RANCH	8.959	173.444	6.518	126.180	0.970000	0.727500	991.795	258.644
1654	SUGG 06 d 6	4PUD	TX	IRION	SUGG RANCH	23.233	216.289	16.902	157.350	0.970000	0.727500	2,179.436	944.352
1659	SUGG 06 l 06 08	4PUD	TX	IRION	SUGG RANCH	23.233	216.289	16.902	157.350	0.970000	0.727500	2,179.436	936.881
1660	SUGG 06 m 6-6	4PUD	TX	IRION	SUGG RANCH	23.233	216.289	16.902	157.350	0.970000	0.727500	2,179.436	944.352
1698	SUGG 1 g 01 G	4PUD	TX	IRION	SUGG RANCH	16.777	158.445	12.205	115.269	0.970000	0.727500	1,306.356	462.692
34856	SUGG 10 13	4PUD	TX	IRION	SUGG RANCH	37.377	242.503	27.192	176.421	0.970000	0.727500	3,244.870	1,577.822
2993	SUGG 10 9	4PUD	TX	IRION	SUGG RANCH	37.377	242.503	27.192	176.421	0.970000	0.727500	3,244.870	1,577.822

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
1665	SUGG 10-2,3,4,5,6,7,8,10,11,12	1PDP	TX	IRION	SUGG RANCH	197.761	2,525.620	143.871	1,837.389	0.970000	0.727500	30,086.802	14,751.996
1209	SUGG 1-1,2,3,5,6,9,10,11,12,13,	1PDP	TX	IRION	SUGG RANCH	104.528	623.684	76.044	453.730	0.970000	0.727500	7,585.588	4,250.114
1415	SUGG 1-14 01 09	1PDP	TX	IRION	SUGG RANCH	17.530	129.892	12.753	94.496	0.970000	0.727500	1,808.579	1,124.727
2991	SUGG 13 10	4PUD	TX	IRION	SUGG RANCH	15.235	62.090	11.083	45.170	0.970000	0.727500	1,110.267	771.618
2992	SUGG 13 11	4PUD	TX	IRION	SUGG RANCH	15.235	62.090	11.083	45.170	0.970000	0.727500	416.716	39.019
34876	SUGG 13 12	4PUD	TX	IRION	SUGG RANCH	15.235	62.090	11.083	45.170	0.970000	0.727500	416.716	41.578
2883	SUGG 13 2	1PDP	TX	IRION	SUGG RANCH	2.399	11.774	1.745	8.566	0.970000	0.727500	118.944	99.077
2985	SUGG 13 4	1PDP	TX	IRION	SUGG RANCH	9.194	62.190	6.688	45.243	0.970000	0.727500	766.566	495.910
2986	SUGG 13 5	4PUD	TX	IRION	SUGG RANCH	15.235	62.090	11.083	45.170	0.970000	0.727500	416.716	38.404
2987	SUGG 13 6	1PDP	TX	IRION	SUGG RANCH	9.859	54.724	7.173	39.811	0.970000	0.727500	743.586	492.851
2989	SUGG 13 8	4PUD	TX	IRION	SUGG RANCH	15.235	62.090	11.083	45.170	0.970000	0.727500	416.716	40.278
2990	SUGG 13 9	4PUD	TX	IRION	SUGG RANCH	15.235	62.090	11.083	45.170	0.970000	0.727500	416.717	39.960
2982	SUGG 13-1	1PDP	TX	IRION	SUGG RANCH	0.750	7.122	0.546	5.181	0.970000	0.727500	36.209	32.121
1289	SUGG 1-4	1PDP	TX	IRION	SUGG RANCH	3.847	99.337	2.798	72.267	0.970000	0.727500	743.626	420.588
1400	SUGG 15 i 15	4PUD	TX	IRION	SUGG RANCH	2.271	177.520	1.652	129.146	0.970000	0.727500	659.157	81.308
1402	SUGG 15 o 15	4PUD	TX	IRION	SUGG RANCH	2.271	177.520	1.652	129.146	0.970000	0.727500	659.157	80.026
1225	SUGG 15-1	1PDP	TX	IRION	SUGG RANCH	0.528	53.559	0.384	38.964	0.970000	0.727500	362.469	267.072
1290	SUGG 15-3	1PDP	TX	IRION	SUGG RANCH	0.960	84.834	0.696	61.717	0.970000	0.727500	500.284	278.673
1694	SUGG 1-8 01 08	1PDP	TX	IRION	SUGG RANCH	7.394	50.802	5.379	36.959	0.970000	0.727500	549.178	323.393
1461	SUGG 19 i 19	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1460	SUGG 19 j 19	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1462	SUGG 19 m 19	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1463	SUGG 19 n 19	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1991	SUGG 1907-1 1907-1	1PDP	TX	IRION	SUGG RANCH	5.071	9.208	3.689	6.699	0.970000	0.727500	159.685	116.475
1226	SUGG 19-1	1PDP	TX	IRION	SUGG RANCH	0.000	65.145	0.000	47.393	0.970000	0.727500	307.414	183.320
1988	SUGG 1910 j 1910	4PUD	TX	IRION	SUGG RANCH	31.234	34.888	22.723	25.381	0.970000	0.727500	1,069.568	451.815

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
1777	SUGG 1910 k 1910	4PUD	TX	IRION	SUGG RANCH	31.234	34.888	22.723	25.381	0.970000	0.727500	1,069,568	455,417
1452	SUGG 1910 l 1910	4PUD	TX	IRION	SUGG RANCH	31.234	34.888	22.723	25.381	0.970000	0.727500	1,069,568	451,815
1983	SUGG 1910-1,2,3,4,5,6,7,8,9 19	1PDP	TX	IRION	SUGG RANCH	205,461	377,233	149,473	274,437	0.970000	0.727500	11,384,705	6,833,727
2051	SUGG 1911-1,2,3,4,5,6 1911	1PDP	TX	IRION	SUGG RANCH	161,987	310,668	117,846	226,011	0.970000	0.727500	9,183,547	5,121,925
2005	SUGG 19-2 19	1PDP	TX	IRION	SUGG RANCH	3,893	3,434	2,810	2,498	0.970000	0.727500	91,033	70,533
1759	SUGG 1A-08 01	1PDP	TX	IRION	SUGG RANCH	19,847	220,352	14,439	160,306	0.970000	0.727500	2,791,651	1,648,532
1901	SUGG 1A-1,2,3,4,5,6,7 A1,A2,A	1PDP	TX	IRION	SUGG RANCH	16,690	111,210	12,142	80,905	0.970000	0.727500	797,960	612,849
1761	SUGG 1A-9 1	1PDP	TX	IRION	SUGG RANCH	9,014	62,556	6,557	45,510	0.970000	0.727500	786,963	552,235
1211	SUGG 2-1	1PDP	TX	IRION	SUGG RANCH	5,533	100,512	4,025	73,122	0.970000	0.727500	856,854	471,394
1689	SUGG 2-10	1PDP	TX	IRION	SUGG RANCH	13,882	97,761	10,099	71,121	0.970000	0.727500	1,293,555	686,196
1691	SUGG 2-11	1PDP	TX	IRION	SUGG RANCH	5,472	63,218	3,981	45,991	0.970000	0.727500	582,914	363,060
1692	SUGG 2-12 2-13	1PDP	TX	IRION	SUGG RANCH	6,057	166,987	4,407	121,483	0.970000	0.727500	1,463,267	730,200
1888	SUGG 214 aa 214	4PUD	TX	IRION	SUGG RANCH	12,562	139,151	9,139	101,233	0.970000	0.727500	904,299	234,198
1889	SUGG 214 bb 214	4PUD	TX	IRION	SUGG RANCH	12,562	139,151	9,139	101,233	0.970000	0.727500	904,299	228,684
1890	SUGG 214 cc 214	4PUD	TX	IRION	SUGG RANCH	12,562	139,151	9,139	101,233	0.970000	0.727500	904,299	230,507
1871	SUGG 214 h 214	4PUD	TX	IRION	SUGG RANCH	12,562	139,151	9,139	101,233	0.970000	0.727500	904,299	232,346
1874	SUGG 214 k 214	4PUD	TX	IRION	SUGG RANCH	12,562	139,151	9,139	101,233	0.970000	0.727500	904,299	234,198
1883	SUGG 214 v 214	4PUD	TX	IRION	SUGG RANCH	12,562	139,151	9,139	101,233	0.970000	0.727500	904,299	236,066
3007	SUGG 214 xx 214	4PUD	TX	IRION	SUGG RANCH	12,562	139,151	9,139	101,233	0.970000	0.727500	904,299	232,346
1887	SUGG 214 z 214	4PUD	TX	IRION	SUGG RANCH	12,562	139,151	9,139	101,233	0.970000	0.727500	904,299	236,066
1753	SUGG 214-1,2,4,5,7,8,9,10,11,1	1PDP	TX	IRION	SUGG RANCH	83,451	1,168,193	60,711	849,860	0.970000	0.727500	9,945,520	5,005,276
34889	SUGG 214-21 214	1PDP	TX	IRION	SUGG RANCH	235,194	59,300	171,097	43,141	0.970000	0.727500	14,169,797	10,460,884
1882	SUGG 214-3 214	2PNP	TX	IRION	SUGG RANCH	49,349	38,123	35,901	27,735	0.970000	0.727500	3,180,743	2,812,839
2734	SUGG 214-3 WC reef secondary	2PNP	TX	IRION	SUGG RANCH	179,843	41,604	130,836	30,267	0.970000	0.727500	9,724,986	3,506,868
2906	SUGG 214-6 6	4PUD	TX	IRION	SUGG RANCH	12,562	139,151	9,139	101,233	0.970000	0.727500	904,299	234,198
34891	SUGG 214A-a 214A	4PUD	TX	IRION	SUGG RANCH	12,562	139,151	9,139	101,233	0.970000	0.727500	904,299	230,507

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
34890	SUGG 214A-b 214A	4PUD	TX	IRION	SUGG RANCH	12.562	139.151	9.139	101.233	0.970000	0.727500	904.299	230.507
2918	SUGG 2-2	1PDP	TX	IRION	SUGG RANCH	1.091	30.282	0.793	22.030	0.970000	0.727500	149.096	108.301
1212	SUGG 2-3,4,7,8,12R,14,15,16	1PDP	TX	IRION	SUGG RANCH	58.306	532.654	42.418	387.506	0.970000	0.727500	5,690.910	2,909.782
1227	SUGG 2-5	1PDP	TX	IRION	SUGG RANCH	2.022	69.162	1.471	50.315	0.970000	0.727500	433.557	258.729
1472	SUGG 2-6	1PDP	TX	IRION	SUGG RANCH	20.950	124.911	15.241	90.873	0.970000	0.727500	1,876.398	936.790
2942	SUGG 2-7	3PBP	TX	IRION	SUGG RANCH	4.360	58.088	3.172	42.259	0.970000	0.727500	709.470	236.770
1409	SUGG 2-9	1PDP	TX	IRION	SUGG RANCH	4.631	44.881	3.389	32.651	0.970000	0.727500	387.088	236.686
1649	SUGG 3-10 03 10	1PDP	TX	IRION	SUGG RANCH	1.827	49.230	1.329	35.815	0.970000	0.727500	296.898	196.239
2020	SUGG 3-11	1PDP	TX	IRION	SUGG RANCH	1.580	186.870	1.149	135.803	0.970000	0.727500	1,402.960	690.883
1216	SUGG 3-2	1PDP	TX	IRION	SUGG RANCH	1.514	38.747	1.102	28.189	0.970000	0.727500	231.305	163.893
1217	SUGG 3-3,7,12,13,14,15,16	1PDP	TX	IRION	SUGG RANCH	22.004	343.388	16.008	249.815	0.970000	0.727500	2,335.678	1,485.327
1271	SUGG 3-4	1PDP	TX	IRION	SUGG RANCH	0.438	5.967	0.318	4.341	0.970000	0.727500	18.891	16.800
1474	SUGG 3-5	1PDP	TX	IRION	SUGG RANCH	1.495	15.584	1.088	11.337	0.970000	0.727500	82.527	64.423
1475	SUGG 3-6	1PDP	TX	IRION	SUGG RANCH	0.740	7.274	0.538	5.292	0.970000	0.727500	32.101	27.817
1557	SUGG 3-8	1PDP	TX	IRION	SUGG RANCH	1.821	69.601	1.325	50.635	0.970000	0.727500	463.247	297.532
1651	SUGG 3-9	1PDP	TX	IRION	SUGG RANCH	2.066	87.466	1.503	63.631	0.970000	0.727500	623.083	395.582
1765	SUGG 3A-1,2,3,4,5,6,7,8 3A #1	1PDP	TX	IRION	SUGG RANCH	22.273	606.863	16.204	441.493	0.970000	0.727500	4,258.281	2,792.481
1769	SUGG 3A-9 3	1PDP	TX	IRION	SUGG RANCH	3.879	187.837	2.822	136.652	0.970000	0.727500	1,580.641	931.455
1862	SUGG 43 b 43	4PUD	TX	IRION	SUGG RANCH	17.189	118.308	12.505	86.069	0.970000	0.727500	966.516	296.826
1563	SUGG 43 i 43	4PUD	TX	IRION	SUGG RANCH	17.189	118.308	12.505	86.069	0.970000	0.727500	966.516	294.478
1357	SUGG 43 j 43	4PUD	TX	IRION	SUGG RANCH	17.189	118.308	12.505	86.069	0.970000	0.727500	966.515	299.193
1359	SUGG 43 p 43	4PUD	TX	IRION	SUGG RANCH	17.189	118.308	12.505	86.069	0.970000	0.727500	966.516	296.826
1228	SUGG 43-1,2,3,4(S),5,6,8	1PDP	TX	TOM GREEN	SUGG RANCH	31.935	258.583	23.233	188.119	0.970000	0.727500	2,377.913	1,463.039
1861	SUGG 43-7 43	4PUD	TX	IRION	SUGG RANCH	17.189	118.308	12.505	86.069	0.970000	0.727500	966.516	296.826
1636	SUGG 5-10 5	4PUD	TX	IRION	SUGG RANCH	8.959	173.444	6.518	126.180	0.970000	0.727500	991.795	256.598
34874	SUGG 5-2 2	1PDP	TX	IRION	SUGG RANCH	0.547	102.474	0.398	74.550	0.970000	0.727500	631.711	352.371

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
1572	SUGG 53 04 53-3	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141.978	371.889
1367	SUGG 53 b 53	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141.978	374.854
1571	SUGG 53 c 53	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141.978	371.889
1368	SUGG 53 e 53	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141.978	377.843
1370	SUGG 53 g 53	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141.978	371.889
1218	SUGG 5-3,4,5,6,7,8	1PDP	TX	IRION	SUGG RANCH	19.470	651.098	14.164	473.673	0.970000	0.727500	4,578.216	2,472.769
1230	SUGG 53-1,2,3 & 54-1,2,3,5	1PDP	TX	TOM GREEN	SUGG RANCH	21.677	329.858	15.770	239.972	0.970000	0.727500	2,300.822	1,469.718
2024	SUGG 53A-1 53A-1	1PDP	TX	TOM GREEN	SUGG RANCH	4.241	69.196	3.085	50.340	0.970000	0.727500	544.857	315.546
1374	SUGG 54 e 54	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141.978	374.854
1373	SUGG 54 a 54	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141.978	380.856
1375	SUGG 54 f 54	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141.978	366.028
1376	SUGG 54 g 54	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141.978	368.947
1377	SUGG 54 k 54	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141.978	368.947
1378	SUGG 54 n 54	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141.978	368.947
1479	SUGG 54-4	1PDP	TX	TOM GREEN	SUGG RANCH	9.373	26.429	6.819	19.227	0.970000	0.727500	475.606	288.177
1634	SUGG 5-9 5	4PUD	TX	IRION	SUGG RANCH	8.959	173.444	6.518	126.180	0.970000	0.727500	991.795	260.706
1942	SUGG 5A 15 5	1PDP	TX	IRION	SUGG RANCH	4.121	27.067	2.998	19.691	0.970000	0.727500	318.713	262.290
3001	SUGG 5A 16	1PDP	TX	IRION	SUGG RANCH	31.159	117.344	22.668	85.368	0.970000	0.727500	2,415.686	1,393.092
1928	SUGG 5A-1,2,3,4,5,6,7,8,9,10,11	1PDP	TX	IRION	SUGG RANCH	322.037	1,554.044	234.282	1,130.567	0.970000	0.727500	26,130.896	14,053.355
1220	SUGG 6-1	1PDP	TX	IRION	SUGG RANCH	5.520	110.632	4.016	80.485	0.970000	0.727500	952.379	530.060
1363	SUGG 6-2,3,4,5,6,7,8,9	1PDP	TX	IRION	SUGG RANCH	48.171	578.599	35.045	420.931	0.970000	0.727500	5,041.527	2,907.859
1231	SUGG 67-1	2PNP	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1232	SUGG 67-2	2PNP	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1388	SUGG 68 5 68	4PUD	TX	IRION	SUGG RANCH	2.271	337.578	1.652	245.588	0.970000	0.727500	2,040.624	698.141
1389	SUGG 68 n 68	4PUD	TX	IRION	SUGG RANCH	2.271	337.578	1.652	245.588	0.970000	0.727500	2,040.624	698.141
1233	SUGG 68-1	1PDP	TX	IRION	SUGG RANCH	0.131	139.645	0.095	101.592	0.970000	0.727500	963.468	578.073

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
2341	SUGG 68-3	2PNP	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1626	SUGG 69 3 69	1PDP	TX	IRION	SUGG RANCH	0.227	3.005	0.165	2.186	0.970000	0.727500	10.941	10.400
1625	SUGG 69 i 69	4PUD	TX	IRION	SUGG RANCH	1.343	170.502	0.977	124.040	0.970000	0.727500	555.633	54.768
1627	SUGG 69 k 69	4PUD	TX	IRION	SUGG RANCH	1.343	170.502	0.977	124.040	0.970000	0.727500	555.632	55.204
1628	SUGG 69 l 69	4PUD	TX	IRION	SUGG RANCH	1.343	170.502	0.977	124.040	0.970000	0.727500	555.633	54.334
1631	SUGG 69 o 69	4PUD	TX	IRION	SUGG RANCH	1.343	170.502	0.977	124.040	0.970000	0.727500	555.633	56.986
1629	SUGG 69-1 69	1PDP	TX	IRION	SUGG RANCH	0.000	140.994	0.000	102.573	0.970000	0.727500	911.276	470.675
1630	SUGG 69-2 69	1PDP	TX	IRION	SUGG RANCH	1.109	17.269	0.806	12.563	0.970000	0.727500	112.081	94.586
1221	SUGG 7-1,2,3,4,7,8,9,11,12,13,1	1PDP	TX	IRION	SUGG RANCH	138.527	949.408	100.779	690.694	0.970000	0.727500	11,874.274	7,067.085
1477	SUGG 7-5	1PDP	TX	IRION	SUGG RANCH	2.122	48.514	1.544	35.294	0.970000	0.727500	417.845	315.756
1362	SUGG 7-6	1PDP	TX	IRION	SUGG RANCH	2.025	61.599	1.473	44.813	0.970000	0.727500	385.700	237.042
1943	SUGG 7A-1,2,3,4,5,6,7,8,9,10,11	1PDP	TX	IRION	SUGG RANCH	219.877	773.511	159.961	562.729	0.970000	0.727500	14,583.126	7,285.815
1946	SUGG 7A-13 7	3PBP	TX	IRION	SUGG RANCH	33.152	100.354	24.118	73.008	0.970000	0.727500	2,999.959	1,592.013
1223	SUGG 8-1,2R,3,4,5,6,7,8,9,10,11	1PDP	TX	IRION	SUGG RANCH	103.476	1,036.192	75.279	753.830	0.970000	0.727500	10,083.307	5,730.698
1420	SUGG 8-15 8	1PDP	TX	IRION	SUGG RANCH	5.910	25.646	4.300	18.658	0.970000	0.727500	340.592	250.780
1417	SUGG 8-16 8-16	4PUD	TX	IRION	SUGG RANCH	24.081	128.128	17.519	93.213	0.970000	0.727500	1,459.749	612.701
1960	SUGG 8A 12 8	1PDP	TX	IRION	SUGG RANCH	15.642	32.935	11.380	23.960	0.970000	0.727500	829.533	556.394
1959	SUGG 8A-1,2,3,4,5,6,7,8,9	1PDP	TX	IRION	SUGG RANCH	105.279	345.857	76.590	251.611	0.970000	0.727500	5,937.212	3,796.132
1963	SUGG 8A-10 8	1PDP	TX	IRION	SUGG RANCH	13.689	46.633	9.959	33.925	0.970000	0.727500	870.811	573.853
2998	SUGG 8A-13	4PUD	TX	IRION	SUGG RANCH	29.409	38.929	21.395	28.321	0.970000	0.727500	996.908	364.115
1451	SUGG 9 d 9	4PUD	TX	IRION	SUGG RANCH	30.475	35.033	22.171	25.487	0.970000	0.727500	1,023.489	387.937
1773	SUGG 9 w 9	4PUD	TX	IRION	SUGG RANCH	30.475	35.033	22.171	25.487	0.970000	0.727500	1,023.489	391.030
1224	SUGG 9-1,2,3,4,5,6	1PDP	TX	IRION	SUGG RANCH	94.029	189.121	68.406	137.586	0.970000	0.727500	5,115.067	2,379.566
1976	SUGG 9A 13 9	1PDP	TX	IRION	SUGG RANCH	8.490	7.461	6.176	5.428	0.970000	0.727500	329.183	259.656
1974	SUGG 9A k 9	4PUD	TX	IRION	SUGG RANCH	30.475	35.033	22.171	25.487	0.970000	0.727500	1,023.489	391.030
1975	SUGG 9A-10 9	1PDP	TX	IRION	SUGG RANCH	19.988	28.540	14.541	20.763	0.970000	0.727500	1,020.525	646.758

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
1972	SUGG 9A-11 9	1PDP	TX	IRION	SUGG RANCH	10.597	10.145	7.709	7.380	0.970000	0.727500	441.914	327.091
1977	SUGG 9A-12 9	1PDP	TX	IRION	SUGG RANCH	15.782	27.333	11.481	19.885	0.970000	0.727500	820.367	556.677
2043	SUGG 9A-7 9	1PDP	TX	IRION	SUGG RANCH	16.059	24.746	11.683	18.002	0.970000	0.727500	779.549	497.297
2050	SUGG 9A-8 9	1PDP	TX	IRION	SUGG RANCH	13.243	14.274	9.634	10.385	0.970000	0.727500	594.447	425.504
2045	SUGG 9A-9 09	1PDP	TX	IRION	SUGG RANCH	35.833	58.887	26.068	42.840	0.970000	0.727500	2,125.408	1,203.512
1272	SUGG 9H-1,2,3,4,5,6,7,8,9,10,11	1PDP	TX	IRION	SUGG RANCH	129.968	1,634.076	94.566	1,188.790	0.970000	0.727500	15,860.354	8,745.947
2945	SUGG 9H-4	3PBP	TX	IRION	SUGG RANCH	19.210	87.839	13.975	63.903	0.970000	0.727500	1,884.498	719.613
1442	SUGG A 01 b	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1762	SUGG A 01 f 1	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1894	SUGG A 01 g 1	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1895	SUGG A 01 h 1	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1896	SUGG A 01 i 1	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1899	SUGG A 01 l 1	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1904	SUGG A 01 q 1	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1919	SUGG A 03 g 3	4PUD	TX	IRION	SUGG RANCH	6.591	193.562	4.795	140.817	0.970000	0.727500	1,024.808	236.504
1920	SUGG A 03 j 3	4PUD	TX	IRION	SUGG RANCH	6.591	193.562	4.795	140.817	0.970000	0.727500	1,024.808	238.389
1771	SUGG A 03 l 3	4PUD	TX	IRION	SUGG RANCH	6.591	193.562	4.795	140.817	0.970000	0.727500	1,024.808	240.290
1922	SUGG A 03 m 3	4PUD	TX	IRION	SUGG RANCH	6.591	193.562	4.795	140.817	0.970000	0.727500	1,024.808	236.504
1923	SUGG A 03 n 3	4PUD	TX	IRION	SUGG RANCH	6.591	193.562	4.795	140.817	0.970000	0.727500	1,024.808	240.290
1926	SUGG A 03 q 3	4PUD	TX	IRION	SUGG RANCH	6.591	193.562	4.795	140.817	0.970000	0.727500	1,024.808	238.389
1944	SUGG A 07 b 7	4PUD	TX	IRION	SUGG RANCH	31.455	90.093	22.883	65.543	0.970000	0.727500	1,544.437	664.152
3000	SUGG A 07 k	4PUD	TX	IRION	SUGG RANCH	31.455	90.093	22.883	65.543	0.970000	0.727500	1,544.436	669.448
1957	SUGG A 08 a 08	4PUD	TX	IRION	SUGG RANCH	29.409	38.929	21.395	28.321	0.970000	0.727500	996.908	361.235
1958	SUGG A 08 d 8	4PUD	TX	IRION	SUGG RANCH	29.409	38.929	21.395	28.321	0.970000	0.727500	996.908	367.019
1961	SUGG A 08 f 8	4PUD	TX	IRION	SUGG RANCH	29.409	38.929	21.395	28.321	0.970000	0.727500	996.908	364.115
1962	SUGG A 08 g 8	4PUD	TX	IRION	SUGG RANCH	29.409	38.929	21.395	28.321	0.970000	0.727500	996.908	364.115

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
2023	SUGG A 53 j	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141.978	377.843
2025	SUGG A 53 p	4PUD	TX	IRION	SUGG RANCH	17.312	135.746	12.594	98.755	0.970000	0.727500	1,141.978	377.843
2257	SUGG FARMAR 09 g 6-9 g	4PUD	TX	IRION	SUGG RANCH	25.482	85.352	18.538	62.094	0.970000	0.727500	1,168.743	443.199
2253	SUGG FARMAR 09 k 6-9 k	4PUD	TX	IRION	SUGG RANCH	25.482	85.352	18.538	62.094	0.970000	0.727500	1,168.743	443.199
2252	SUGG FARMAR 09 l 6-9 l	4PUD	TX	IRION	SUGG RANCH	25.482	85.352	18.538	62.094	0.970000	0.727500	1,168.744	439.692
2250	SUGG FARMAR 09 n 6-9 n	4PUD	TX	IRION	SUGG RANCH	25.482	85.352	18.538	62.094	0.970000	0.727500	1,168.743	443.199
2246	SUGG FARMAR 22 b 6-22 b	4PUD	TX	IRION	SUGG RANCH	22.151	115.062	16.115	83.708	0.970000	0.727500	1,236.004	519.920
2243	SUGG FARMAR 22-1,2,3,4,5,6,7	1PDP	TX	IRION	SUGG RANCH	84.470	551.098	61.452	400.924	0.970000	0.727500	6,608.459	3,819.365
2240	SUGG FARMAR 22-10 22-10	4PUD	TX	IRION	SUGG RANCH	22.151	115.062	16.115	83.708	0.970000	0.727500	1,236.005	468.916
2229	SUGG FARMAR 23 6 23-k	4PUD	TX	IRION	SUGG RANCH	21.490	142.390	15.634	103.589	0.970000	0.727500	1,421.790	479.035
2224	SUGG FARMAR 23 m 23-m	4PUD	TX	IRION	SUGG RANCH	21.490	142.390	15.634	103.589	0.970000	0.727500	1,421.790	479.035
2109	SUGG FARMAR 23-1,2,3,4,5 23-	1PDP	TX	IRION	SUGG RANCH	23.629	273.823	17.190	199.206	0.970000	0.727500	2,297.519	1,436.118
34894	SUGG FARMAR 23A-a 23A-a	4PUD	TX	IRION	SUGG RANCH	11.684	117.048	8.500	85.153	0.970000	0.727500	659.905	90.933
34895	SUGG FARMAR 23A-b 23A-b	4PUD	TX	IRION	SUGG RANCH	11.684	117.048	8.500	85.153	0.970000	0.727500	659.905	93.125
34896	SUGG FARMAR 23A-c 23A-c	4PUD	TX	IRION	SUGG RANCH	11.684	117.048	8.500	85.153	0.970000	0.727500	659.905	94.616
34897	SUGG FARMAR 23A-d 23A-d	4PUD	TX	IRION	SUGG RANCH	11.684	117.048	8.500	85.153	0.970000	0.727500	659.905	91.658
34898	SUGG FARMAR 23A-e 23A-e	4PUD	TX	IRION	SUGG RANCH	11.684	117.048	8.500	85.153	0.970000	0.727500	659.905	86.701
34899	SUGG FARMAR 23A-f 23A-f	4PUD	TX	IRION	SUGG RANCH	11.684	117.048	8.500	85.153	0.970000	0.727500	659.905	95.371
2218	SUGG FARMAR 24 c 24-c	4PUD	TX	IRION	SUGG RANCH	19.567	125.555	14.235	91.341	0.970000	0.727500	1,180.474	405.927
2234	SUGG FARMAR 24 e 24-e	4PUD	TX	IRION	SUGG RANCH	19.567	125.555	14.235	91.341	0.970000	0.727500	1,180.474	402.716
2233	SUGG FARMAR 24 f 24-f	4PUD	TX	IRION	SUGG RANCH	19.567	125.555	14.235	91.341	0.970000	0.727500	1,180.474	402.716
1798	SUGG FARMAR 24-1,2,3,4,6,7	1PDP	TX	IRION	SUGG RANCH	49.000	433.959	35.648	315.705	0.970000	0.727500	4,530.626	2,543.917
1436	SUGG FARMAR 24-8 16	1PDP	TX	IRION	SUGG RANCH	0.113	0.768	0.082	0.559	0.970000	0.727500	3.673	3.600
2222	SUGG FARMAR 24A-7	1PDP	TX	IRION	SUGG RANCH	2.774	52.288	2.018	38.039	0.970000	0.727500	388.899	274.670
1710	SUGG FARMAR 25 g 25	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1711	SUGG FARMAR 25 h 25	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.



HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
2215	SUGG FARMAR 25 n 25	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1235	SUGG FARMAR 25-1,2,3,5,6,7	1PDP	TX	IRION	SUGG RANCH	9.586	109.373	6.959	79.569	0.970000	0.727500	518.947	399.421
34854	SUGG FARMAR 25-4 4	1PDP	TX	IRION	SUGG RANCH	1.551	120.474	1.129	87.645	0.970000	0.727500	835.188	473.827
2211	SUGG FARMAR 25-8 25-8	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1236	SUGG FARMAR 26-1-2	1PDP	TX	IRION	SUGG RANCH	6.158	399.309	1.663	107.833	0.263750	0.270048	1,144.587	589.575
3003	SUGG FARMAR 26A b	4PUD	TX	IRION	SUGG RANCH	8.466	181.200	6.159	131.823	0.970000	0.727500	1,013.495	218.500
3006	SUGG FARMAR 26A e	4PUD	TX	IRION	SUGG RANCH	8.466	181.200	6.159	131.823	0.970000	0.727500	1,013.495	216.771
3004	SUGG FARMAR 26A-1	1PDP	TX	IRION	SUGG RANCH	3.699	118.608	2.691	86.288	0.970000	0.727500	942.651	547.818
2907	SUGG FARMAR 27-1 27-1	1PDP	TX	IRION	SUGG RANCH OBO	2.165	99.925	0.812	37.472	0.500000	0.375000	357.340	206.553
2908	SUGG FARMAR 27-2 27-2	1PDP	TX	IRION	SUGG RANCH OBO	19.054	26.602	7.145	9.976	0.500000	0.375000	496.061	287.824
34908	SUGG FARMAR 27-a 27-a	4PUD	TX	IRION	SUGG RANCH	12.201	338.995	8.876	246.619	0.970000	0.727500	2,637.809	1,133.442
34901	SUGG FARMAR 27-b 27-b	4PUD	TX	IRION	SUGG RANCH	12.201	338.995	8.876	246.619	0.970000	0.727500	2,637.808	1,080.695
34903	SUGG FARMAR 27-c 27-c	4PUD	TX	IRION	SUGG RANCH	12.201	338.995	8.876	246.619	0.970000	0.727500	2,637.808	1,080.695
34902	SUGG FARMAR 27-d 27-d	4PUD	TX	IRION	SUGG RANCH	12.201	338.995	8.876	246.619	0.970000	0.727500	2,637.808	1,072.145
1799	SUGG FARMAR 38-1	1PDP	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.970000	0.727500	0.000	0.000
1709	SUGG FARMAR 38-2 38-2	1PDP	TX	IRION	SUGG RANCH	0.417	122.656	0.304	89.232	0.970000	0.727500	804.418	466.262
1869	SUGG FARMAR 38-3 38	1PDP	TX	IRION	SUGG RANCH	0.033	168.893	0.024	122.870	0.970000	0.727500	1,164.289	606.509
1431	SUGG FARMAR 38-4 38	1PDP	TX	IRION	SUGG RANCH	0.325	69.624	0.236	50.651	0.970000	0.727500	377.538	237.509
34840	SUGG FARMAR 38-5 38	2PNP	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1708	SUGG FARMAR 38-6,7 38	1PDP	TX	IRION	SUGG RANCH	0.678	26.768	0.493	19.474	0.970000	0.727500	72.303	59.899
1237	SUGG FARMAR 38-1	1PDP	TX	IRION	SUGG RANCH	6.451	229.695	4.693	167.103	0.970000	0.727500	1,946.424	930.113
1238	SUGG FARMAR 39A-2	1PDP	TX	IRION	SUGG RANCH	0.581	107.916	0.408	78.509	0.970000	0.727500	684.245	388.017
1423	SUGG FARMAR 40 b 40	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
2207	SUGG FARMAR 40 h 40-h	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1424	SUGG FARMAR 40 i 40	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1425	SUGG FARMAR 40 k 40	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

**HARBINGER GROUP INC**  
**OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC**  
**ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE**  
**EFFECTIVE DATE - JUNE 30, 2012**  
**SEC 2Q12 PRICING**

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
1239	SUGG FARMAR 40-1	1PDP	TX	IRION	SUGG RANCH	1.936	85.577	1.408	62.257	0.970000	0.727500	551.736	303.289
1240	SUGG FARMAR 40-2	1PDP	TX	IRION	SUGG RANCH	1.010	49.564	0.735	36.058	0.970000	0.727500	252.476	160.537
1241	SUGG FARMAR 40-3,4,5,6,7	1PDP	TX	IRION	SUGG RANCH	18.194	238.115	13.236	173.229	0.970000	0.727500	1,584.552	1,005.238
2110	SUGG FARMAR 41A-1,2,3,4 41	1PDP	TX	IRION	SUGG RANCH	10.592	383.239	7.706	278.806	0.970000	0.727500	2,539.876	1,403.597
2910	SUGG FARMAR 41B-1,2,3 41B-	1PDP	TX	IRION	SUGG RANCH OBO	3.499	152.594	1.312	57.223	0.500000	0.375000	438.979	301.433
2285	SUGG FARMAR 7-1,2,3,4R,5,6	1PDP	TX	IRION	SUGG RANCH	65.007	400.199	47.292	291.145	0.970000	0.727500	5,083.943	2,880.691
2286	SUGG FARMAR 7-7 6-71	4PUD	TX	IRION	SUGG RANCH	24.020	111.359	17.475	81.014	0.970000	0.727500	1,309.218	520.065
3002	SUGG FARMAR 7-8	4PUD	TX	IRION	SUGG RANCH	24.020	111.359	17.475	81.014	0.970000	0.727500	1,309.218	515.950
34904	SUGG FARMAR 7A-a 7A-a	4PUD	TX	IRION	SUGG RANCH	16.098	177.520	11.711	129.146	0.970000	0.727500	2,125.393	1,295.870
34905	SUGG FARMAR 7A-b 7A-b	4PUD	TX	IRION	SUGG RANCH	16.098	177.520	11.711	129.146	0.970000	0.727500	1,431.842	529.761
34906	SUGG FARMAR 7A-c 7A-c	4PUD	TX	IRION	SUGG RANCH	16.098	177.520	11.711	129.146	0.970000	0.727500	1,431.842	533.986
34907	SUGG FARMAR 7A-d 7A-d	4PUD	TX	IRION	SUGG RANCH	16.098	177.520	11.711	129.146	0.970000	0.727500	1,431.842	533.986
2254	SUGG FARMAR 9-11 9-11	1PDP	TX	IRION	SUGG RANCH	33.889	218.468	24.655	158.936	0.970000	0.727500	3,571.965	1,984.633
2256	SUGG FARMAR 9-1,2,4,5,8,10 9	1PDP	TX	IRION	SUGG RANCH	232.303	705.952	169.000	513.580	0.970000	0.727500	16,688.523	9,427.198
2261	SUGG FARMAR 9-3 9-3	4PUD	TX	IRION	SUGG RANCH	25.482	85.352	18.538	62.094	0.970000	0.727500	1,168.743	443.199
2251	SUGG FARMAR 9-6 9-6	4PUD	TX	IRION	SUGG RANCH	25.482	85.352	18.538	62.094	0.970000	0.727500	1,168.744	439.692
2258	SUGG FARMAR 9-7 6-9 f	4PUD	TX	IRION	SUGG RANCH	25.482	85.352	18.538	62.094	0.970000	0.727500	1,862.294	1,211.924
1750	SUGG J.D. 23 b 23 b	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1748	SUGG J.D. 23-1,2,4,5 23-1	1PDP	TX	IRION	SUGG RANCH	9.813	249.036	7.139	181.174	0.970000	0.727500	1,400.844	839.477
1793	SUGG J.D. 23-3	1PDP	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.970000	0.727500	0.000	0.000
2033	SUGG J.D. 23-a 23-a	4PUD	TX	IRION	SUGG RANCH	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
1718	SUGG JANE TAYLOR 01 29 01	1PDP	TX	IRION	SUGG RANCH	14.028	17.798	10.206	12.948	0.970000	0.727500	667.158	476.371
1745	SUGG JANE TAYLOR 01 30	4PUD	TX	IRION	SUGG RANCH	36.721	73.578	26.714	53.528	0.970000	0.727500	1,709.340	828.999
1717	SUGG JANE TAYLOR 01 32	1PDP	TX	IRION	SUGG RANCH	34.914	70.691	25.400	51.428	0.970000	0.727500	2,255.078	1,418.585
1746	SUGG JANE TAYLOR 01 36	1PDP	TX	IRION	SUGG RANCH	28.839	21.317	20.980	15.508	0.970000	0.727500	1,435.415	912.895
1730	SUGG JANE TAYLOR 01 c	4PUD	TX	IRION	SUGG RANCH	27.085	88.091	19.704	64.086	0.970000	0.727500	1,284.939	538.971

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
 LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
1800	SUGG JANE TAYLOR 1-1,3,6,1	1PDP	TX	IRION	SUGG RANCH	100.821	273.536	73.347	198.997	0.970000	0.727500	5,622.534	3,209.457
34887	SUGG JANE TAYLOR E 01 34 3	4PUD	TX	IRION	SUGG RANCH	27.085	88.091	19.704	64.086	0.970000	0.727500	1,284.939	538.971
1743	SUGG JANE TAYLOR E 01 35	4PUD	TX	IRION	SUGG RANCH	27.085	88.091	19.704	64.086	0.970000	0.727500	1,284.939	534.707
1735	SUGG JANE TAYLOR E a	4PUD	TX	IRION	SUGG RANCH	27.085	88.091	19.704	64.086	0.970000	0.727500	1,284.939	538.971
42048	SUSTANABLE FOREST 30 #1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35411	SWIM 21-1 ALT 236195	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.830525	0.603711	0.000	0.000
35038	T K GIDDENS ET AL 12-1 22006	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	1.000000	0.808374	0.000	0.000
35183	T K GIDDENS ET AL 12-2 ALT	1PDP	LA	JACKSON	VERNON	0.000	346.687	0.000	279.165	0.996863	0.805237	232.090	166.408
35246	T K GIDDENS ET AL 12-3 ALT 2	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	1.000000	0.808374	0.000	0.000
35247	T K GIDDENS ET AL 12-4 ALT 2	1PDP	LA	JACKSON	VERNON	0.000	650.076	0.000	525.504	1.000000	0.808374	545.602	295.824
1242	TAG RANCH 28 01	1PDP	TX	STERLING	SUGG RANCH	0.434	0.000	0.337	0.000	0.970000	0.776000	2.198	2.097
35236	TALBOT 29-1 ALT 233495	1PDP	LA	JACKSON	VERNON	0.000	1,824.084	0.000	1,404.862	1.000000	0.770174	2,121.029	1,052.820
40609	TEMPLETON 15-1	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.499217	0.403115	0.000	0.000
40610	TEMPLETON 22-1	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.500000	0.407024	0.000	0.000
40947	TENSAS DELTA 12-1	1PDP	LA	DE SOTO	KINGSTON	0.000	437.067	0.000	156.177	0.473570	0.357330	97.738	64.661
40946	TENSAS DELTA 12-2	1PDP	LA	DE SOTO	KINGSTON	0.000	116.340	0.000	40.484	0.463467	0.347981	4.854	4.520
40932	TENSAS DELTA 6-1	1PDP	LA	DE SOTO	CASPIANA	0.000	986.140	0.000	122.970	0.181442	0.124698	81.729	48.288
40611	TEXAS 1	1PDP	TX	HARRISON	WASKOM	0.000	54.190	0.000	18.641	0.458650	0.343988	3.904	3.485
36640	THARP 8-1	1PDP	LA	JACKSON	KELLEYS	0.000	29.735	0.000	22.648	1.000000	0.761654	4.096	3.946
40893	THIGPEN 13-1	1PDP	LA	DE SOTO	KINGSTON	0.000	349.160	0.000	132.976	0.498480	0.380846	51.173	40.102
41244	THIGPEN 13-2	1PDP	LA	DE SOTO	KINGSTON	0.000	85.430	0.000	29.522	0.454385	0.345670	10.162	9.431
41252	THIGPEN 14-1	1PDP	LA	DE SOTO	KINGSTON	0.000	981.491	0.000	298.921	0.388636	0.304558	225.547	124.184
41246	THIGPEN 14-2	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
42107	THIGPEN 14-3	1PDP	LA	DE SOTO	KINGSTON	1.959	772.515	0.597	235.276	0.388636	0.304558	257.525	154.809
41255	THIGPEN 14-4	1PDP	LA	DE SOTO	KINGSTON	0.401	148.331	0.122	45.176	0.388636	0.304558	30.679	26.692
40612	THIGPEN 24-1	1PDP	LA	DE SOTO	KINGSTON	0.782	511.657	0.192	125.429	0.312385	0.245142	68.656	46.808

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40613	THOMAS 19-1	1PDP	LA	DE SOTO	HOLLY	0.773	788.829	0.208	211.884	0.358142	0.268606	217.107	147.852
40614	THOMAS 19-2	1PDP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.358142	0.268606	0.000	0.000
40850	THOMAS 19-2 BP1	3PBP	LA	DE SOTO	HOLLY	2.785	789.296	0.748	212.009	0.358142	0.268606	94.512	20.821
42893	THOMAS 19-3	1PDP	LA	DE SOTO	HOLLY	0.000	418.875	0.000	132.869	0.422970	0.317204	68.604	48.490
43065	THOMAS 19-3 BP1	3PBP	LA	DE SOTO	HOLLY	2.785	789.296	0.883	250.368	0.422970	0.317204	111.562	24.553
43137	THOMAS 28-1 (R)	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41013	THOMPSON 34-1	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41704	THOMPSON 34-1 BP	3PBP	LA	DE SOTO	HOLLY	2.129	469.401	0.291	64.066	0.171314	0.136484	40.623	11.694
36457	THRASHER ST JUDE TRUST 1	1PDP	LA	JACKSON	KELLEYS	0.000	0.000	0.000	0.000	1.000000	0.761020	0.000	0.000
35296	THURMON 10-1 ALT 229959	1PDP	LA	JACKSON	VERNON	0.000	465.041	0.000	356.405	0.978058	0.766394	266.345	173.948
50793	THURMON 10-1 ALT (CLEANO	2PNP	LA	JACKSON	VERNON	0.000	-820.235	0.000	-628.623	0.978058	0.766394	-719.990	-351.544
50792	THURMON 10-1 ALT (CLEANO	2PNP	LA	JACKSON	VERNON	0.000	1,581.017	0.000	1,211.682	0.978058	0.766394	1,748.222	724.057
35402	THURMON 10-2 ALT 235870	1PDP	LA	JACKSON	VERNON	0.000	888.127	0.000	681.695	0.979164	0.767565	905.475	548.187
40616	TILLER-HILLIARD 2	2PNP	TX	PANOLA	BRIIGGS	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41800	TIMBERSTAR 33-1	1PDP	LA	DE SOTO	CASPIANA	1.791	928.720	0.390	202.258	0.269326	0.217781	170.145	94.153
43162	TIMBERSTAR 33-1 BP 1	3PBP	LA	DE SOTO	CASPIANA	2.785	789.296	1.044	295.986	0.500000	0.375000	144.449	30.481
40619	TRAMMELL 1	1PDP	TX	HARRISON	WASKOM	0.000	35.738	0.000	12.116	0.470863	0.339021	3.620	3.403
40620	TRAMMELL 2	1PDP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.470268	0.338593	0.000	0.000
40623	TRAMMELL 5	1PDP	TX	HARRISON	WASKOM	0.000	501.206	0.000	169.411	0.469453	0.338006	160.160	99.631
41117	TRAMMELL 6 CV	1PDP	TX	HARRISON	WASKOM	0.000	459.200	0.000	163.866	0.495625	0.356850	151.382	98.074
41428	TRAMMELL 7 CV	1PDP	TX	HARRISON	WASKOM	0.245	167.565	0.087	59.720	0.495000	0.356400	38.562	30.689
41297	TRIPP 28-1	1PDP	LA	DE SOTO	KINGSTON	0.587	147.299	0.138	34.757	0.312831	0.235965	7.095	6.220
41296	TRIPP 28-2	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
41841	TRIPP 28-2 BP1	3PBP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40956	TRIPP 28-3	1PDP	LA	DE SOTO	CASPIANA	0.646	215.928	0.152	50.951	0.312831	0.235965	31.664	26.985
43158	TRIPP 28-4 (DENMON 28-1 RE	1PDP	LA	DE SOTO	CASPIANA	0.135	151.433	0.032	35.733	0.312831	0.235965	8.311	7.418

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
43159	TRIPP 28-4 BP1 (DENMON 28-1	3BPB	LA	DE SOTO	CASPIANA	2.783	788.838	0.753	213.474	0.362952	0.270618	100.887	18.661
40625	TRULY 25-1 ALT	2PNP	LA	DE SOTO	HOLLY	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35139	TURNER ET AL 30-1 ALT 2283	1PDP	LA	JACKSON	VERNON	0.000	1,394.730	0.000	1,049.095	0.988084	0.752185	1,808.555	917.233
53398	TURNER ET AL 30-1 ALT (CLE	2PNP	LA	JACKSON	VERNON	0.000	-2,098.964	0.000	-1,578.734	0.988084	0.752185	-2,457.372	-853.883
53350	TURNER ET AL 30-1 ALT (CLE	2PNP	LA	JACKSON	VERNON	0.000	3,157.950	0.000	2,375.363	0.988084	0.752185	3,483.095	931.365
40626	TYSON 14-1	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40627	VANCE 1	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
42065	VARNELL 29-1 (R)	1PDP	LA	DE SOTO	CASPIANA	0.413	520.031	0.120	150.697	0.374723	0.289785	38.486	27.920
1248	VOGEL SNELL 36-1 WALT	1PDP	TX	DAWSON	ACKERLY	0.000	0.000	0.000	0.000	0.288880	0.216800	0.000	0.000
2914	VOGEL SNELL 36-1 R WALT	4PUD	TX	DAWSON	ACKERLY	98.128	23.276	21.274	5.046	0.288880	0.216800	1,335.775	875.097
35005	W J EMMONS ET AL 1 181509	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	1.000000	0.799694	0.000	0.000
41234	WADZECK 12-1	1PDP	LA	DE SOTO	CASPIANA	0.000	10.647	0.000	3.518	0.440052	0.330420	0.486	0.478
40634	WALDRON 7-1	2PNP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40873	WALDRON 7-2	1PDP	LA	DE SOTO	CASPIANA	0.000	0.000	0.000	0.000	0.468748	0.358429	0.000	0.000
40878	WALDRON 7-4	1PDP	LA	DE SOTO	CASPIANA	0.000	715.965	0.000	256.623	0.468748	0.358429	205.247	122.816
35249	WALKER 16-1 ALT 231365	1PDP	LA	JACKSON	VERNON	0.000	702.684	0.000	502.220	0.940722	0.714717	520.775	281.743
40635	WARE 12-1	2PNP	LA	DE SOTO	KINGSTON	1.071	473.582	0.354	156.481	0.440052	0.330420	72.056	45.514
41243	WARE 13-2	2PNP	LA	DE SOTO	KINGSTON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40917	WARE 24-1	1PDP	LA	DE SOTO	KINGSTON	0.000	610.934	0.000	154.761	0.321530	0.253318	59.197	39.099
1251	WARNER GAS UNIT #1 1	1PDP	TX	HOUSTON	GRAPELAND (RDESSA)	0.000	1,985.573	0.000	297.606	0.149884	0.149884	636.257	324.510
40640	WATERMAN 1	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40641	WATERMAN 2	1PDP	TX	HARRISON	WASKOM	0.000	41.474	0.000	17.309	0.500000	0.417335	2.660	2.397
40644	WATERMAN 5	1PDP	TX	HARRISON	BETHANY	14.064	8.408	5.788	3.449	0.500000	0.410156	246.562	149.807
35024	WATSON 11-1 ALT 225834	1PDP	LA	JACKSON	VERNON	0.000	350.078	0.000	239.167	0.882162	0.683182	279.973	221.851
40645	WEATHERSBY, DON 4	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40646	WEEKS, C	1PDP	TX	HARRISON	WASKOM	20.884	222.512	3.916	41.721	0.250000	0.187500	194.094	80.769

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
40933	WELLS 6-1	1PDP	LA	DE SOTO	CASPIANA	0.000	551.120	0.000	68.724	0.181442	0.124698	26.028	18.628
42084	WELLS, M W 5	1PDP	TX	PANOLA	BETHANY	0.000	1,064.804	0.000	96.068	0.103109	0.090221	113.584	57.800
40648	WELLS, M W 2	2PNP	TX	PANOLA	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40649	WELLS, M W 3	1PDP	TX	PANOLA	BETHANY	4.127	671.838	0.372	60.614	0.103109	0.090221	89.586	48.787
53460	WELLS, M W 4	1PDP	TX	PANOLA	BETHANY	5.540	420.751	0.500	37.961	0.103109	0.090221	69.668	40.431
41611	WEST 9-1 (R)	1PDP	LA	DE SOTO	KINGSTON	3.681	904.070	0.975	239.484	0.350512	0.264895	230.284	141.032
35043	WEST HEIRS 17-1 ALT 226903	1PDP	LA	JACKSON	VERNON	0.000	1,218.315	0.000	866.355	0.935714	0.711109	1,190.858	570.693
35281	WEYERHAEUSER 10-1 230483	1PDP	LA	JACKSON	VERNON	0.000	479.044	0.000	362.102	1.000000	0.755883	248.020	155.019
53715	WEYERHAEUSER 10-1 (CLEA	2PNP	LA	JACKSON	VERNON	0.000	-702.065	0.000	-530.679	1.000000	0.755883	-526.644	-258.410
53714	WEYERHAEUSER 10-1 (CLEA	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
36611	WEYERHAEUSER 10-1 (KELLE	1PDP	LA	JACKSON	KELLEYS	0.000	0.000	0.000	0.000	1.000000	0.751250	0.000	0.000
35339	WEYERHAEUSER 10-1 ALT 23	1PDP	LA	JACKSON	VERNON	0.000	575.048	0.000	122.378	0.273490	0.212813	124.551	83.031
35361	WEYERHAEUSER 10-2 ALT 23	1PDP	LA	JACKSON	VERNON	0.000	473.077	0.000	357.591	1.000000	0.755883	235.383	148.160
35365	WEYERHAEUSER 10-3 ALT 23	1PDP	LA	JACKSON	VERNON	0.000	1,233.590	0.000	932.450	1.000000	0.755883	1,175.840	575.921
35027	WEYERHAEUSER 11-1 ALT 22	1PDP	LA	JACKSON	VERNON	0.000	772.786	0.000	515.923	0.895833	0.667614	552.856	306.452
35248	WEYERHAEUSER 11-2 ALT 23	1PDP	LA	JACKSON	VERNON	0.000	624.126	0.000	416.675	0.895833	0.667614	372.516	226.508
35223	WEYERHAEUSER 11A-1 22986	1PDP	LA	JACKSON	VERNON	0.000	413.240	0.000	309.930	1.000000	0.750000	170.359	113.560
35354	WEYERHAEUSER 11A-2 ALT 2	1PDP	LA	JACKSON	VERNON	0.000	931.388	0.000	698.541	1.000000	0.750000	825.870	506.896
35282	WEYERHAEUSER 11A-3 ALT 2	1PDP	LA	JACKSON	VERNON	0.000	722.308	0.000	541.731	1.000000	0.750000	545.858	300.647
35400	WEYERHAEUSER 11A-4 ALT 2	1PDP	LA	JACKSON	VERNON	0.000	960.076	0.000	720.057	1.000000	0.750000	799.543	419.877
35378	WEYERHAEUSER 11A-5 ALT 2	1PDP	LA	JACKSON	VERNON	0.000	1,336.546	0.000	1,002.410	1.000000	0.750000	1,307.967	637.290
35299	WEYERHAEUSER 12-1 230484	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	1.000000	0.751562	0.000	0.000
35303	WEYERHAEUSER 12-2 ALT 23	1PDP	LA	JACKSON	VERNON	0.000	3.860	0.000	2.901	1.000000	0.751562	0.061	0.061
35324	WEYERHAEUSER 15-1 231117	1PDP	LA	JACKSON	VERNON	0.000	441.428	0.000	45.201	0.126028	0.102398	32.114	19.105
35373	WEYERHAEUSER 2-1 235074	1PDP	LA	JACKSON	VERNON	0.000	988.817	0.000	741.613	1.000000	0.750000	845.080	458.242
35157	WEYERHAEUSER 25-1 ALT 22	1PDP	LA	JACKSON	VERNON	0.000	954.393	0.000	674.111	0.926710	0.706324	806.867	406.988

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35297	WEYERHAEUSER 26-1 ALT 23	1PDP	LA	JACKSON	VERNON	0.000	1,212.177	0.000	967.439	1.000000	0.798101	1,233.653	601.322
35291	WEYERHAEUSER 27-1 ALT 23	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35306	WEYERHAEUSER 8-1 ALT 232	1PDP	LA	JACKSON	VERNON	0.000	370.499	0.000	292.881	1.000000	0.790505	242.959	173.051
35238	WEYERHAEUSER 8A-1 230641	1PDP	LA	JACKSON	VERNON	0.000	711.537	0.000	306.640	0.562076	0.430954	305.135	165.515
35340	WEYERHAEUSER 9-1 230745	1PDP	LA	JACKSON	VERNON	0.000	1,440.524	0.000	178.431	0.157298	0.123865	251.087	116.540
40653	WHEELER 16-1	2PNP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40654	WHEELER 16-2	1PDP	LA	CADDO	LONGWOOD	0.028	10.701	0.011	4.282	0.500000	0.400156	0.314	0.308
41120	WHEELER 16-3	1PDP	LA	CADDO	LONGWOOD	0.414	75.025	0.166	30.022	0.500000	0.400156	8.676	7.739
41121	WHEELER 16-4	1PDP	LA	CADDO	LONGWOOD	0.347	61.954	0.139	24.791	0.500000	0.400156	13.698	12.448
40655	WHELESS 5-1	1PDP	LA	DE SOTO	CASPIANA	0.000	165.172	0.000	63.253	0.500000	0.382949	21.034	18.358
40656	WHELESS 5-2	1PDP	LA	DE SOTO	CASPIANA	0.000	262.449	0.000	100.505	0.500000	0.382949	32.708	26.327
40657	WHELESS 5-3	1PDP	LA	DE SOTO	CASPIANA	0.000	369.095	0.000	141.344	0.500000	0.382949	50.460	36.773
41430	WHELESS 5-4	1PDP	LA	DE SOTO	CASPIANA	0.000	509.015	0.000	194.927	0.500000	0.382949	131.690	79.450
40960	WHELESS 5-5	1PDP	LA	DE SOTO	CASPIANA	0.000	206.393	0.000	79.038	0.500000	0.382949	16.268	13.627
40658	WHELESS 5-6	1PDP	LA	DE SOTO	CASPIANA	0.000	87.967	0.000	33.687	0.500000	0.382949	6.279	5.796
47129	WHITE 16-1 1	1PDP	LA	DE SOTO	CASPIANA	0.332	41.230	0.059	7.365	0.230285	0.178641	2.011	1.887
42460	WHITE 29-1	1PDP	LA	DE SOTO	HOLLY	0.775	737.980	0.319	304.099	0.497007	0.412069	241.108	148.397
42691	WHITE 29-1 BP1	3BPB	LA	DE SOTO	HOLLY	2.794	791.917	0.870	246.638	0.398279	0.311444	146.797	45.349
40930	WHITE 6-1	1PDP	LA	DE SOTO	CASPIANA	0.000	215.500	0.000	26.872	0.181442	0.124698	10.754	9.456
35121	WHITTEN 20-1 ALT 227477	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
47128	WILHELM 1 1	2PNP	LA	DE SOTO	CASPIANA	0.010	98.469	0.002	17.941	0.244316	0.182195	6.519	5.723
35008	WILLAMETTE (FO) 16-1 220555	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.020508	0.000	0.000
35372	WILLAMETTE 1-1 226390	2PNP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
35090	WILLAMETTE 11-1 ALT 226947	1PDP	LA	JACKSON	VERNON	0.000	1,364.567	0.000	1,089.529	1.000000	0.798443	1,501.519	711.393
35070	WILLAMETTE 11-2 ALT 228377	1PDP	LA	JACKSON	VERNON	0.000	1,348.031	0.000	1,076.326	1.000000	0.798443	1,514.426	769.484
35186	WILLAMETTE 11-3 ALT 229999	1PDP	LA	JACKSON	VERNON	0.000	574.439	0.000	458.657	1.000000	0.798443	481.078	320.806

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.

HARBINGER GROUP INC  
OIL AND GAS PROPERTIES OWNED BY EXCO RESOURCES, INC  
ALPHABETIC SUMMARY OF DISCOUNTED NET REVENUE  
EFFECTIVE DATE - JUNE 30, 2012  
SEC 2Q12 PRICING

(SORTED BY LEASE, WELL ID, RESERVE CATEGORY)

ARIES LD.	LEASE	RES. CAT.	STATE	COUNTY	LOCATION	GROSS OIL MBO	GROSS GAS MMCF	NET OIL MBO	NET GAS MMCF	WORKING INTEREST	REVENUE INTEREST	CASHFLOW (M\$)	DFNR DISC 10% (M\$)
35302	WILLAMETTE 1-2 ALT 231206	1PDP	LA	JACKSON	VERNON	0.000	907.455	0.000	680.591	1.000000	0.750000	805.984	407.102
35149	WILLIAM NIX 11-1 ALT 228376	1PDP	LA	JACKSON	VERNON	0.000	1,955.585	0.000	1,561.424	1.000000	0.798443	2,454.400	1,124.345
35080	WILLIAMS 23-1 226251	1PDP	LA	JACKSON	VERNON	0.000	0.000	0.000	0.000	1.000000	0.800764	0.000	0.000
40872	WILLIAMS 6-1	1PDP	LA	DE SOTO	CASPIANA	0.000	856.122	0.000	106.757	0.181442	0.124698	56.942	35.854
35094	WILLIAMS ET AL 17-1 ALT 2281	1PDP	LA	JACKSON	VERNON	0.000	1,014.481	0.000	721.407	0.935714	0.711109	923.855	478.168
41122	WILLIE JOHNSON 7-1	2PNP	LA	DE SOTO	KINGSTON	0.000	159.759	0.000	36.470	0.292609	0.228283	5.451	4.743
41746	WILLIE JOHNSON 7-1 BP	3PBP	LA	DE SOTO	KINGSTON	2.796	792.334	0.643	182.261	0.292609	0.230031	110.891	37.461
35044	WILSON 14-1 225324	1PDP	LA	JACKSON	VERNON	0.000	670.594	0.000	498.902	0.998878	0.743970	472.482	263.379
38090	WILSON DICKSON OU #1-01 1	1PDP	TX	GREGG	PEATOWN	6.931	47.696	2.668	18.363	0.500000	0.385000	134.348	106.785
53739	WILSON DICKSON OU #1-01 B	3PBP	TX	GREGG	DANVILLE	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
38092	WILSON DICKSON OU #1-03 4	1PDP	TX	GREGG	DANVILLE	20.792	291.814	8.005	112.348	0.500000	0.385000	466.609	272.423
40660	WINFRED SHARP 10-1	1PDP	LA	CADDO	LONGWOOD	0.000	0.000	0.000	0.000	0.445285	0.353302	0.000	0.000
40661	WINSTON 1	2PNP	TX	HARRISON	WASKOM	0.000	0.000	0.000	0.000	0.000000	0.000000	0.000	0.000
40663	WINSTON 4	1PDP	TX	HARRISON	WASKOM	0.000	1,546.726	0.000	593.598	0.492021	0.383777	759.884	296.463
40667	WRAY 35-2 ALT	1PDP	LA	CADDO	HENDERSON	6.364	142.577	2.323	52.040	0.500000	0.385000	155.168	123.376
<b>TOTAL PROVED RESERVES</b>						<u>10,266.161</u>	<u>681,740.988</u>	<u>6,582.464</u>	<u>370,563.108</u>			<u>1,022,999.025</u>	<u>518,586.103</u>

THIS SCHEDULE IS PART OF A REPORT AND SUBJECT TO QUALIFICATIONS OF THE REPORT.  
LEE KEELING AND ASSOCIATES, INC.