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

In re:	§	Case No. 17-31646
MONTCO OFFSHORE, INC., *et al.*,[1]	§	Chapter 11
Debtors.	§	(Jointly Administered)

DECLARATION OF DEREK C. BOUDREAUX IN SUPPORT OF CONFIRMATION OF AMENDED PLAN OF REORGANIZATION OF DEBTOR MONTCO OFFSHORE, INC. AND AMENDED PLAN OF LIQUIDATION OF DEBTOR MONTCO OILFIELD CONTRACTORS, LLC UNDER CHAPTER 11 OF THE BANKRUPTCY CODE AND FINAL APPROVAL OF DISCLOSURE STATEMENT FOR THE AMENDED PLAN OF REORGANIZATION OF DEBTOR MONTCO OFFSHORE, INC. AND AMENDED PLAN OF LIQUIDATION OF DEBTOR MONTCO OILFIELD CONTRACTORS, LLC UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

I, Derek C. Boudreaux, hereby declare under penalty of perjury:

1. I am the Chief Financial Officer ("***CFO***") of Montco Offshore, Inc. ("***MOI***") and Manager of Montco Oilfield Contractors, LLC ("***MOC***" and together with MOI, the "***Company***" or the "***Debtors***"), debtors in the above-captioned Chapter 11 Cases. I am responsible for overseeing the business operations, general accounting, and financial planning of the Company. If I were called upon to testify, I could and would competently testify to the facts set forth herein on that basis.

2. I submit this declaration (the "***Declaration***") in support of confirmation of the *Amended Plan of Reorganization of Debtor Montco Offshore, Inc. and Amended Plan of Liquidation of Debtor Montco Oilfield Contractors, LLC under Chapter 11 of the Bankruptcy*

[1] The Debtors in these Chapter 11 Cases, together with the last four (4) digits of each Debtor's federal tax identification number, are Montco Offshore, Inc. (1448) and Montco Oilfield Contractors, LLC (9886). The mailing address for the Debtors, solely for the purposes of notices and communications, is 17751 Hwy 3235, Galliano, Louisiana 70354.

Code, filed on December 26, 2017 [Docket No. 740] (the "***Plan***")[2] and final approval of the *Disclosure Statement for the Amended Plan of Reorganization of Debtor Montco Offshore, Inc. and Amended Plan of Liquidation of Debtor Montco Oilfield Contractors, LLC Under Chapter 11 of the Bankruptcy Code* [Docket No. 741] (as amended, the "***Disclosure Statement***"). I have reviewed, and am generally familiar with, the terms and provisions of the Plan, the documents comprising the Plan Supplement, the Disclosure Statement, the Debtors' proposed *Findings of Fact, Conclusions of Law, and Order Approving the Disclosure Statement and Confirming the Amended Plan of Reorganization of Debtor Montco Offshore, Inc. and the Amended Plan of Liquidation of Debtor Montco Oilfield Contractors, LLC Under Chapter 11 of the Bankruptcy Code* (the "***Proposed Confirmation Order***"), and the requirements for confirmation of the Plan under section 1129 of the Bankruptcy Code.

3. Except as otherwise indicated, all statements in this Declaration are based upon my own personal knowledge and information provided to me by certain of the Debtors' employees and professionals, from my review of business records maintained by the Debtors in the ordinary course of their regularly conducted business activities, and from my knowledge concerning the operations and financial affairs of the Debtors.

A. Background

4. MOI specializes in the construction and operation of liftboats, providing the highest quality and safety of service for offshore operators requiring versatile elevated vessels and work-platforms in the Gulf of Mexico. MOC is a wholly owned subsidiary of MOI, which, as a general contractor, utilizes the services of hundreds of vendors and subcontractors (among them, MOI) throughout the Gulf of Mexico for an array of oil and gas offshore projects, including platform

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

construction, installation, modification, repair, flushing, make-safe removal preparation and decommissioning; well intervention, recompletion and abandonments including both sub-sea and hurricane-damaged wells; pipeline flushing and abandonment; site clearance verification; and trawling projects. I am familiar with the Debtors' operations, facilities, policies and financial affairs. I am the person the Debtors designated to be responsible, in consultation with legal counsel and other court approved professionals, for the supervision of the Debtors' Chapter 11 Cases, including compliance with the requirements of the Bankruptcy Code and with respect to the Plan and Disclosure Statement. In addition, as the CFO of MOI and Manager of MOC, my duties include, but are not limited to, overseeing the business operations, general accounting, and financial planning of the Company.

5. The Debtors commenced these Chapter 11 Cases on March 17, 2017 by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code and have, since that date, continued to operate their businesses and remain in possession of their properties. Information regarding the events leading was described previously in the *Declaration of Derek C. Boudreaux in Support of Chapter 11 Petitions and First Day Pleadings* [Docket No. 3], which is incorporated herein by reference.

6. On June 23, 2017, MOI filed the *Motion of Debtor Montco Offshore, Inc. for an Order (I) Approving Term Sheet with SEACOR LB Holdings LLC in Connection With Proposed Transaction to Act as Sponsor of Montco Offshore, Inc.'s Plan of Reorganization; (II) Approving Bidding Procedures Governing Submission and Consideration of Competing Plan Sponsorship Proposals; (III) Approving Break-Up Fee; (IV) Scheduling and Authorizing Montco Offshore, Inc. to Conduct an Auction Pursuant to Such Procedures; (V) Approving the Form and Manner of Notice Thereof and (VI) Granting Related Relief* (the "***First Bidding Procedures Motion***")

[Docket No. 302], seeking approval of a plan term sheet (the "***Stalking Horse Bid***") with SEACOR LB Holdings LLC ("***Seacor***") as the stalking horse, which was subject to higher and better bids, and approving bidding and auction procedures for other parties in interest to submit competing bids.

7. Several parties in interest filed objections and responses to the First Bidding Procedures Motion, and a hearing was held on the motion on August 3, 2017 (the "***First Bidding Procedures Hearing***"). Certain modifications to the proposed order were made on the record at the First Bidding Procedures Hearing, and the Bankruptcy Court orally approved the First Bidding Procedures Motion on the record, subject to those modifications. The Bankruptcy Court formally entered an order on August 10, 2017 (the "***First Bidding Procedures Order***") [Docket No. 394].

8. The First Bidding Procedures Order set forth specific requirements for potential bidders to submit competitive bids against the Stalking Horse Bid no later than 4:00 p.m. (prevailing Central time) on August 24, 2017 (the "***Bid Deadline***"), with an auction to be held, if necessary, on August 29, 2017. No competing bids to the Stalking Horse Bid were received by the Bid Deadline. On August 28, 2017, MOI filed a *Notice of Cancellation of Auction* [Docket No. 413] and declared Seacor the Winning Bidder (as defined in the First Bidding Procedures Order).

9. On September 26, 2017, the Debtors filed the *Plan of Reorganization of Debtor Montco Offshore, Inc. and Plan of Liquidation of Debtor Montco Oilfield Contractors, LLC Under Chapter 11 of the Bankruptcy Code* [Docket No. 439] (as amended, the "***Prior Plan***") and a disclosure statement in connection therewith [Docket No. 440] (as amended, the "***Prior Disclosure Statement***"). The Prior Plan contemplated the creation of a special purpose joint venture, Falcon Global Holdings LLC ("***Falcon JV***") and a wholly owned subsidiary of Falcon JV, Falcon Global

USA LLC ("***Falcon USA Sub***") to own, hold, and operate the assets of MOI contributed thereto and additional assets contributed thereto by Seacor as the stalking horse and proposed plan sponsor for the plan of reorganization of MOI. The Prior Plan further contemplated that Falcon JV would receive contributions from each of MOI and Seacor, a subset of which would then be contributed to Falcon USA Sub, with approximately 70% of the equity ownership in Falcon JV held by Seacor and approximately 30% of the equity ownership in Falcon JV held by MOI from and after the Effective Date.

10. On October 6, 2017, the Bankruptcy Court entered an order conditionally approving the Prior Disclosure Statement, and permitting the Debtors to commence solicitation of the Prior Plan. The order also (i) scheduled a hearing (the "***Prior Confirmation Hearing***") to consider confirmation of the Prior Plan and final approval of the Prior Disclosure Statement, (ii) established related voting and objection deadlines, and (iii) approved certain solicitation and tabulation procedures.

11. On October 16, 2017, the Debtors filed a *Motion for Entry of an Order Estimating Secured Claims of C&G Welding, Inc., Alliance Energy Services, LLC, Oceaneering International, Inc., and Aqueos Corporation for Purposes of Allowing Plan Confirmation to Proceed* [Docket No. 494] (the "***Estimation Motion***") seeking to estimate and temporarily allow in an amount equal to zero dollars ($0) the alleged secured claims (the "***Asserted Maritime Lien Claims***") asserted by each of C&G Welding, Inc., Alliance Energy Services, LLC, Oceaneering International, Inc., and Aqueos Corporation.

12. At a hearing held on November 6, 2017, the Bankruptcy Court found that the Debtors failed to carry their burden of proof in connection with the valuation of the MOI's fleet of six vessels at less than the prepetition secured debt obligations. Furthermore, in a bench ruling on

November 8, 2017 (the "***November 8 Ruling***"), the Bankruptcy Court denied the Debtors' Estimation Motion and ordered the Asserted Maritime Lien Claims be estimated for voting purposes as secured claims in the amounts in which they were filed.

13. On November 9, 2017, the Debtors filed an *Emergency Motion for Entry of an Order Continuing the Confirmation Hearing* [Docket No. 585] requesting a continuation of the Prior Confirmation Hearing while the Debtors engaged in discussions with Seacor, in its capacity as plan sponsor, the First Lien Lenders and DIP Lenders, and the Creditors' Committee to determine what changes, if any, needed to be made to the Prior Plan or otherwise, in order to effectively emerge from chapter 11. On the same day, the Bankruptcy Court entered an order continuing the Prior Confirmation Hearing to November 20, 2017 [Docket No. 586].

14. On November 15, 2017, the Debtors filed an *Emergency Motion for Entry of an Order Further Continuing the Confirmation Hearing* [Docket No. 615] requesting a further continuation of the Prior Confirmation Hearing while the described discussions continued. On November 16, 2017, the Bankruptcy Court entered an order continuing the Prior Confirmation Hearing to November 29, 2017 [Docket No. 625].

15. Following the November 8 Ruling, in order to avoid the litigation risk attendant with the pursuit of litigation on the merits of the Estimation Motion and after discussions with its advisors and certain of its key constituencies, MOI concluded that it had no viable alternative other than to sell all or substantially all of its assets free and clear of liabilities pursuant to section 363 of the Bankruptcy Code. Accordingly, on November 24, 2017, MOI filed an *Emergency Motion for an Order (I) Approving (A) Bidding Procedures Governing Submission and Consideration of Competing Transactions, (B) Bid Protections, (C) Form and Manner of Notice of Sale Transaction and Sale Hearing, and (D) Assumption and Assignment Procedures for any Transferred Contracts;*

(II) (A) Scheduling and Authorizing Debtor to Conduct an Auction Pursuant to the Bidding Procedures, and (B) Authorizing Debtor to Enter into the Purchase Agreement to Implement the Bidding Protections; (III) Authorizing (A) the Sale of the Purchased Assets Free and Clear of all Liens, Claim, Encumbrances, and other Interests, and (B) the Assumption and Assignment of any Transferred Contracts; and (iv) Granting Related Relief (the "***Second Bidding Procedures Motion***") [Docket No. 637], seeking approval of a proposed transaction with Falcon USA Sub as the stalking horse, which was subject to higher and better bids, and approving bidding and auction procedures for other parties in interest to submit competing bids.

16. Several parties in interest filed objections and responses to the Second Bidding Procedures Motion. Following a discussion on the record of a hearing held on the Second Bidding Procedures Motion on December 4, 2017 regarding an alternative transaction potentially acceptable to the objecting parties, the Bankruptcy Court continued the hearing to December 7, 2017 [Docket No. 694]. On the record of the hearing held on December 7, 2017, the Bankruptcy Court further continued the hearing to December 12, 2017.

17. On the record of the hearing held on December 12, 2017, the Bankruptcy Court granted an oral motion made by the Creditors' Committee and ordered that certain parties in interest mediate certain matters as described on the record of the hearing (the "***Dispute***"). The Bankruptcy Court directed the parties to submit an order on an emergency basis to approve a mediator. The Bankruptcy Court further directed that a representative of each of the parties in interest having the necessary authority to settle the Dispute were to be present at the mediation, and that the mediation must take place prior to December 19, 2017 or, if there were no agreement on a date, on December 19, 2017.

18. On December 18, 2017, the Bankruptcy Court entered an Order Regarding Mediation [Docket No. 718], referring the matter, at the parties' request, to Ms. Sylvia Mayer, Esq. for mediation. Pursuant to the Mediation Order, the mediation was attended by representatives of each of (i) the Debtors; (ii) the Creditors' Committee; (iii) the First Lien Lenders and DIP Lenders; (iv) Lee Orgeron; (v) Alliance Energy Services, LLC; (vi) Aqueos Corporation; (vii) Bollinger Shipyards LLC; (viii) C&G Welding, Inc.; (ix) Oceaneering International, Inc.; (x) Odyssea Marine, Inc.; and (xi) Oil States Skagit Smatco, LLC. Pursuant to the Mediation Order, mediation commenced on December 19, 2017. Upon agreement of the parties, representatives of Seacor also attended the mediation. The parties mediated in good faith through and including December 23, 2017, at which time all of the parties reached agreement on a revised plan. The terms of the agreement are (i) incorporated in the Plan, which is supported by all parties to the mediation and received overwhelming acceptance from all three of the Classes of Claims that were entitled to vote on the Plan; and (ii) set forth in the material terms of the Alliance Settlement Agreement.

B. Approval of the Disclosure Statement

19. In connection with the Plan, the Debtors prepared the Disclosure Statement, which describes the terms of the Plan and its effects on holders of claims against and equity interests in the Debtors. I reviewed the Disclosure Statement prior to its distribution and I believe that it provides an accurate and thorough disclosure of the information required by holders of Claims entitled to vote on the Plan to make an informed judgment.

C. Satisfaction of the Bankruptcy Code's Requirements for Confirmation.

20. Based on my understanding of the Plan, the events that have occurred throughout these Chapter 11 Cases, and discussions I have had with the Debtors' professionals regarding the

requirements of the Bankruptcy Code, I believe that the Plan satisfies all provisions of section 1129 of the Bankruptcy Code and complies with all other applicable sections of the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules of the United States Bankruptcy Court for the Southern District of Texas, and applicable non-bankruptcy law and should therefore be confirmed.

21. §1129(a)(1). I understand that section 1129(a)(1) of the Bankruptcy Code requires the Plan to comply with applicable provisions of the Bankruptcy Code. As detailed below, I have been advised by the Debtors' advisors that, based on its compliance with Bankruptcy Code sections 1122 and 1123 of the Bankruptcy Code, the Plan satisfies this requirement.

a. § 1122. The Plan designates Claims against, and Equity Interests in, the Debtors, into 6 Classes, as set forth in Article III of the Plan. The separate classification of Claims against and Equity Interests in the Debtors is based upon the differences in legal nature and priority of such Claims and Equity Interests, and valid business, factual, and legal reasons exist for separately classifying the various Classes of Claims against, and Equity Interests in, the Debtors under the Plan. Moreover, such classification was otherwise acceptable to each voting Class. The Plan's classification scheme was not proposed to manipulate the vote or with the purpose of creating a consenting Impaired Class. Based on the foregoing, I have been advised by the Debtors' professionals that the classification of Claims and Equity Interests under the Plan complies with section 1122 of the Bankruptcy Code.

b. § 1123(a). I have been advised that the Plan fully complies with each of the seven applicable requirements of section 1123(a) of the Bankruptcy Code.

i. § 1123(a)(1). As stated, the Plan designates Classes of Claims, other than Claims of the type described in sections 507(a)(2), 507(a)(3), and 507(a)(8) of the Bankruptcy Code, and Classes of Equity Interests, as required by section 1123(a)(1) of the Bankruptcy Code.

ii. § 1123(a)(2). Article III of the Plan specifies each Class of Claims or Equity Interests that is that is Unimpaired under the Plan, as required by section 1123(a)(2) of the Bankruptcy Code.

iii. § 1123(a)(3). Article III of the Plan specifies the treatment of each Class of Claims and each Class of Equity Interests that is Impaired under the Plan and sets forth the treatment of Impaired Claims and Equity Interests, as required by section 1123(a)(3) of the Bankruptcy Code.

iv. § 1123(a)(4). I have been advised that the Plan also complies with section 1123(a)(4) of the Bankruptcy Code, as the treatment of each Claim or Equity Interest in each particular Class is the same as the treatment of each other Claim or Equity Interest in such Class (except as otherwise agreed to by a holder of a particular Claim or Equity Interest).

v. § 1123(a)(5). I believe that the Plan, including the various documents and agreements set forth in the Plan Supplement, provides adequate and proper means for its implementation, which I have been advised is required by section 1123(a)(5) of the Bankruptcy Code. Among other things, the Plan and the Plan Supplement provide for (i) the continued corporate existence of MOI as the Reorganized Debtor; (ii) the composition of the board of directors and officers of the Reorganized Debtor; (iii) all

actions set forth in Article IV of the Plan; (iv) the funding of the Plan and Liquidating Trust; and (v) the taking of all necessary and appropriate actions by the Debtors or Reorganized Debtor, as applicable, to effectuate the transactions under and in connection with the Plan.

vi. § 1123(a)(6). I have been advised that, as required by section 1123(a)(6) of the Bankruptcy Code, the certificate of incorporation and bylaws of MOI contain provisions prohibiting the issuance of non-voting equity securities and provide for the appropriate distribution of voting power among all classes of equity securities.

vii. § 1123(a)(7). I have been informed that Article IV.F of the Plan provides that on the Effective Date, the directors and executive officers of MOI who served immediately prior to the Effective Date will serve as the directors and officers of the Reorganized Debtor. Such directors' and officers' identities were disclosed in the Plan Supplement. I believe that the provisions in the Plan and Plan Supplement governing the manner of selection of any officer, director, or manager under the Plan are consistent with the interests of Creditors and equity security holders and with public policy in accordance with section 1123(a)(7) of the Bankruptcy Code.

c. § 1123(b). I have been advised that section 1123(b) of the Bankruptcy Code sets forth permissive provisions that may be incorporated into a chapter 11 plan and, as discussed in more detail below, I believe that each of the provisions of the Plan is consistent with section 1123(b).

i. § 1123(b)(1). I have been advised that Article III of the Plan impairs or leaves Unimpaired, as the case may be, each Class of Claims and Equity Interests, in accordance with section 1123(b)(1) of the Bankruptcy Code.

ii. § 1123(b)(2). I have been advised that, in accordance with section 1123(b)(2) of the Bankruptcy Code, the Plan constitutes a motion to reject all executory contracts and unexpired leases other than those executory contracts and unexpired leases designated for assumption and assignment to either Falcon USA Sub, Falcon JV or the Reorganized Debtor, as applicable. The Debtors reviewed their executory contracts and unexpired leases and determined which executory contracts and unexpired leases to assume or reject. I believe that the Debtors have exercised sound business judgment in connection with the *Notice Regarding Executory Contract and Unexpired Lease Assumption and Assignment Schedule* [Docket No. 759] filed in accordance with Article VII.A of the Plan. I believe that rejecting the executory contracts and unexpired leases not otherwise designated for assumption and assignment is in the best interests of the Debtors' estates.

iii. § 1123(b)(3)(A). I have been advised that, under section 1123(b)(3)(A) of the Bankruptcy Code, a plan may provide for the settlement or adjustment of any claim or interest belonging to a debtor or to its estate. Article VIII of the Plan contemplates that, as a condition precedent to the Effective Date of the Plan, the Alliance Settlement Agreement shall have been executed and delivered and become effective, and all conditions to closing set forth therein shall have been satisfied. The provisions of the Alliance

Settlement Agreement are valid and appropriate. I believe that the Alliance Settlement Agreement enables the Debtors to have a confirmable chapter 11 Plan, and, accordingly, the Alliance Settlement Agreement is in the best interests of the Debtors' Estates and well within the Debtors' sound business judgment.

iv. § 1123(b)(3)(B). I have been advised that, under section 1123(b)(3)(B) of the Bankruptcy Code, a plan may provide for the retention and enforcement by the debtor, by the trustee, or by a representative of the estate appointed for such purpose, of any such claim or interest. As I understand it, Article IV.O of the Plan provides that the Liquidating Trustee may, among other things, investigate, prosecute, compromise, and settle, in accordance with the specific terms of the Liquidating Trust Agreement (i) avoidance actions pursuant to chapter 5 of the Bankruptcy Code and state law counterparts that previously belonged to MOC or its estate; (ii) state and common law claims and causes of action that previously belonged to MOC or its estate; and (iii) all claims and causes of action asserted in, or that could be asserted in the adversary proceeding styled *Montco Oilfield Contractors, LLC v. Black Elk Energy Offshore Operations, LLC, et al.*, No. 17-03249, commenced by MOC on May 18, 2017 in its chapter 11 case. It is my understanding that on the Effective Date, the rights and powers of Debtors' respective estates applicable to the Liquidating Trust Assets shall vest in the Liquidating Trust.

v. § 1123(b)(5). As I understand it, Article III of the Plan modifies or leaves unaffected, as the case may be, the rights of certain holders of Claims against and Equity Interests in the Debtors, as permitted by section 1123(b)(5) of the Bankruptcy Code.

vi. §1123(b)(6). I have been advised that a plan may include other appropriate provisions not inconsistent with the applicable provisions of the Bankruptcy Code. The Plan contains release, exculpation and injunction provisions consistent with the Bankruptcy Code that I believe are reasonable, essential to the successful implementation and confirmation of the Plan and an integral component of the settlement reached by the parties to the mediation.

1. The Debtor Releases. Article IX.B.1 of the Plan provides that, as of the Effective Date, the Debtors will release claims and causes of action against certain parties in interest in the Chapter 11 Cases (the "***Debtor Releases***"). Pursuant to such provision, other than with respect to claims, Causes of Action, or liabilities arising out of or relating to any act or omission that constitutes actual fraud, willful misconduct, gross negligence, or a criminal act, the Debtors are releasing the Releasees, which include the following: (a) each of the Debtors, (b) the Creditors' Committee, (c) the Plan Sponsor, (d) the First Lien Lenders, (e) the First Lien Agent, (f) the Falcon JV, (g) Falcon USA Sub, (h) the Reorganized Debtor, (i) the Exit Facility Lenders, (j) each of their respective Affiliates, and (k) each of their and their respective Affiliates current

and former Representatives. For the avoidance of doubt, the Debtor Releases comprise a full release by each Debtor to the other on account of any Intercompany Obligations owing to the other Debtor. These releases are critical to the successful implementation and confirmation of the Plan, are integral to ensuring an orderly liquidation, and should be approved. They are the result of arm's length negotiations with parties in interest and are an integral part of the Plan. It is my belief that the Debtors, on the one hand, and each of the Releasees, on the other, share a common goal of achieving the successful consummation of the Plan, as reflected by the Releasees' good faith participation in these Chapter 11 Cases and, as applicable, in the Bankruptcy Court-ordered mediation. I believe that all of the released current and former officers and directors, principals, shareholders, members, partners, managers, employees, subcontractors, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals have served the Debtors during at least a portion of the Chapter 11 Cases, and have worked tirelessly to preserve value for the benefit of all stakeholders. I believe that the Releasees have made substantial contributions to the Debtors' reorganization, leading up to and including the commencement of the Chapter 11 Cases through the date hereof. These contributions include, among other things, negotiating formulating, and executing the First Bidding Procedures

Motion, the Prior Plan, the Second Bidding Procedures Motion, and the Plan, as well as providing other material support to the Debtors' overall restructuring. Among other things, the released directors, officers and certain of the Debtors' employees have continued to operate the Debtors' businesses throughout these Chapter 11 Cases, and helped to navigate the Debtors through the confirmation process. Additionally, the Plan Sponsor, the First Lien Lenders, the First Lien Agent, the Falcon JV, Falcon USA Sub, the Reorganized Debtor, the Exit Facility Lenders and the Creditors' Committee have made substantial contributions throughout these Chapter 11 Cases, including numerous material concessions that have enabled the Debtors to develop the Plan, and have worked toward formulating and executing the Plan on a largely consensual basis. Moreover, on the Effective Date, certain of the Releasees will provide a contribution of additional Cash in the amount of $500,000 to the Liquidating Trust, and certain of the Releasees shall be employed by Falcon JV, allowing for the continued funding of the Liquidation Trust. Based on my participation in the mediation, I believe that the Debtor Releases are an essential component of the Plan and constitute a sound exercise of the Debtors' business judgment. During the course of negotiations regarding the Plan, it was clear that the Debtor Releases would be a necessary condition to entry into and consummation of the transactions embodied in the Plan. I believe that without the Debtor Releases, the Debtors and their stakeholders would

not have been able to secure the substantial benefits provided by the Plan and that the Debtor Releases were a material inducement to the concessions and substantial contributions received by the Released Parties under the Plan.

2. The Holder Release. In addition to the releases granted by the Debtors, Article IX.B.2. of the Plan provides for the release of the Releasees by certain third parties of Causes of Action and any other debts, obligations, rights, suits, judgments, damages, actions, remedies and liabilities whatsoever, based in whole or in part upon any act or omission, transaction, or other occurrence or circumstances existing or taking place prior to or on the Effective Date arising from or related in any way to the Debtors (the "***Holder Release***"). I believe that the Disclosure Statement and ballots each provided recipients with timely, sufficient, appropriate and adequate notice of the Holder Release, including that each holder of a Claim against or Equity Interest in the Debtors that were entitled to vote to accept or reject the Plan would grant the Holder Release unless such holder elected not to grant the Holder Release on its ballot. The Holder Release applies only to those persons who were entitled to vote on the Plan and did not mark their ballots as opting out of the Holder Release under the Plan. The Holder Release is not binding on any party that has opted out of the Holder Release and, accordingly, the Holder Release is consensual. Based upon all of the reasons outlined above regarding the justification for the Debtor

Releases, the Holder Release is fair and necessary to the consummation of the Plan.

3. Exculpation. Article IX.C of the Plan provides for an exculpation limiting the liability of the Releasees for acts or omissions in connection with, related to, or arising out of these Chapter 11 Cases, the negotiation, solicitation, or pursuit of confirmation of the Plan, and the consummation or administration of the Plan. The exculpation provision does not relieve any party of liability for gross negligence or willful misconduct. It is my belief that the exculpation provision serves an important function in protecting parties that have contributed to the Chapter 11 Cases and the formulation and confirmation of the Plan.

22. §1129(a)(2). To the best of my knowledge and belief, based on discussions with the Debtors' legal counsel and other advisors, I believe that, as required by section 1129(a)(2) of the Bankruptcy Code, the Debtors have complied with the applicable provisions of the Bankruptcy Code. Specifically, after filing these Chapter 11 Cases, the Debtors used only debtor in possession bank accounts; filed their monthly operating reports on a timely basis; used cash collateral only as permitted by orders of the Bankruptcy Court, borrowed money and paid professionals only pursuant to orders of the Bankruptcy Court; paid obligations arising prior to the Petition Date only with Bankruptcy Court approval; sold assets outside the ordinary course of business only with prior Bankruptcy Court approval; and did not solicit votes on the Plan until after provisional approval of the Disclosure Statement.

23. §1129(a)(3). It is my belief that the Debtors have proposed the Plan in good faith with the legitimate and honest purpose of maximizing the value of the Estates. The Plan (including

all documents necessary to effectuate the Plan) was negotiated extensively, at arm's length and in good faith in connection with the mediation ordered by the Bankruptcy Court. It is my understanding that each of the parties that participated in the mediation supports confirmation of the Plan and that the Plan received overwhelming support from each Class of Claims entitled to vote on the Plan, which I believe evidences the Plain's fairness and the good-faith efforts that drove its formulation.

The principal purpose of the Plan is not to avoid taxes or any applicable securities laws. The Debtors have proposed the Plan in good faith after negotiations and mediation and not by any means known to the Debtors that are forbidden by law. The Debtors solicited acceptances of the Plan only after provisional approval of the Disclosure Statement. Based on the foregoing, I have been advised that the Plan satisfies the requirements of section 1129(a)(3) of the Bankruptcy Code.

24. §1129(a)(4). Any payment made by the Debtors or any person issuing securities or acquiring property under the Plan to any professional person for services or for costs and expenses in connection with the Plan or incident to these Chapter 11 Cases must be approved by the Bankruptcy Court pursuant to final fee applications. Specifically, Article XI.A of the Plan requires that final applications for Bankruptcy Court approval of accrued professional compensation shall be filed on or after the date that is 45 days after the Effective Date. Based on the foregoing, I have been advised that the Plan satisfies section 1129(a)(4) of the Bankruptcy Code

25. §1129(a)(5). The Debtors have fully and accurately disclosed in section VI.F of the Disclosure Statement that on the Effective Date, the directors and executive officers of MOI who served immediately prior to the Effective Date will serve as the directors and officers of the Reorganized Debtor. Such directors' and officers' identities and any affiliations were disclosed in the Plan Supplement. In my opinion, the appointment or continuance in office of such individuals

is consistent with the interests of Creditors, equity security holders, and public policy. Based on the foregoing, I have been advised that the Plan satisfies section 1129(a)(5) of the Bankruptcy Code.

26. §1129(a)(6). I believe and am reliably informed that the Debtors do not charge any rate that is subject to the jurisdiction of any governmental regulatory commission which would require it to seek such commission's approval of any rate changes. Based on the foregoing, I have been advised that the Plan satisfies section 1129(a)(6) of the Bankruptcy Code.

27. §1129(a)(7). I have been primarily responsible for overseeing the preparation of an estimate of the expected proceeds from a liquidation of the Debtors' assets in the hypothetical event that all of Debtors' assets were to be liquidated pursuant to chapter 7 of the Bankruptcy Code. The liquidation analysis is attached to the provisionally approved Disclosure Statement as Exhibit B. For purposes of the liquidation analysis, the Debtors assumed that the Chapter 11 Cases converted to cases under chapter 7 on the Effective Date, that a chapter 7 trustee was appointed, that the trustee would abandon an asset if there was no realizable equity for the trustee after payment of Claims secured by the collateral and any estate tax liabilities resulting from the sale, and that hypothetical liquidation sales for Cash would be made with the assistance of professional brokers as appropriate. In my opinion the liquidation analysis reflects that liquidation of the Debtors' assets under chapter 7 of the Bankruptcy Code would result in substantial diminution in the value to be realized by Creditors as compared to distributions contemplated under the Plan. Based on the foregoing, I have been advised that the Plan therefore satisfies section 1129(a)(7) of the Bankruptcy Code.

28. §1129(a)(8). The Plan contains three Impaired Classes of Claims entitled to vote: Classes 2, 3, and 4. Class 5B, consisting of holders of Equity Interests in MOC, is not entitled to

vote on the Plan, though this Class is Impaired because there will be no distribution and, therefore, holders of Equity Interests in Class 5B are deemed to reject the Plan. As shown by the tabulation report (the "***Tabulation Report***") attached as Exhibit B to the *Declaration of Balloting Agent Regarding Solicitation and Tabulation of Votes in Connection with the Combined Disclosure Statement and Plan of Reorganization of Debtor Montco Offshore, Inc. and Plan of Liquidation of Debtor Montco Oilfield Contractors, LLC Under Chapter 11 of the Bankruptcy Code* filed by the Debtors, all three Classes of Impaired claims entitled to vote voted to accept the Plan. I have been advised that the Debtor therefore has satisfied §1129(a)(8) of the Bankruptcy Code, and it is not necessary for the Debtor to satisfy the requirements of § 1129(b) of the Bankruptcy Code as to any dissenting Classes.

29. §1129(a)(9). Article II of the Plan provides that each Allowed Administrative Claim is to be paid in full in Cash (a) on the later of: (i) five (5) Business Days after the Effective Date (or, if not then due, within five (5) Business Days after the date when such Allowed Administrative Claim is due in the ordinary course of business); (ii) if such Claim is Disputed and is Allowed after the Effective Date, on the date that is five (5) Business Days after such Claim is Allowed by a Final Order; and (iii) at such later date and upon such terms as may be agreed upon by a holder of an Allowed Administrative Claim and the Reorganized Debtor or the Liquidating Trustee, as applicable; or (b) at such time and upon such terms as set forth in an order of the Bankruptcy Court.

Article II of the Plan also provides that all Claims accorded priority in right of payment under section 507(a) of the Bankruptcy Code shall be paid in full in Cash on the later of: (i) five (5) business days after the Effective Date; (ii) five (5) Business Days after the date such Allowed

Priority Claim becomes Allowed; and (iii) the date such Allowed Priority Claim is payable under applicable non-bankruptcy law.

Moreover, there are no secured tax Claims. Based on the foregoing, I have been advised that the Debtor has satisfied §1129(a)(9) of the Bankruptcy Code.

30. §1129(a)(10). I have been advised that the Tabulation Report shows that all three Impaired Classes of Claims entitled to vote voted to accept the Plan without including any acceptances by an insider. Based on the foregoing, I have been advised that the Debtor therefore has satisfied §1129(a)(10) of the Bankruptcy Code.

31. §1129(a)(11). The source of funds to make payments to Creditors under the Plan will be through (i) entry by Falcon USA Sub into the Exit Facility and (ii) future operations of Falcon JV, which will allow for distributions to Creditors under the Plan and funding of the Liquidating Trust. The projections attached as Exhibit C to the provisionally approved Disclosure Statement were prepared to reflect the transactions contemplated under the Plan. Based upon my experience and knowledge of market conditions and my knowledge of the business operations the Company, in my opinion, the assumptions that underlie the projections are reasonable and supportable. It is my further opinion that the Reorganized Debtor will generate sufficient funds after the Effective Date to provide for payment of all obligations set forth in the Plan as and when due.

In my opinion, consummation of the Plan is not likely to be followed by the liquidation or need for further financial reorganization of the Reorganized Debtor. Based on the foregoing, I have been advised that the Plan therefore satisfies section 1129(a)(11) of the Bankruptcy Code.

32. §1129(a)(12). The Debtors are current on their payments to the United States Trustee and the Debtors intend to pay any and all additional fees payable to the Office of the United

States Trustee as and when due and payable. Based on the foregoing, I have been advised that the Plan satisfies section 1129(a)(12) of the Bankruptcy Code,

33. §1129(a)(13). The Debtors did not, prior to or after the filing of these Chapter 11 Cases, provide any retiree benefits to any of its employees. Thus, I have been advised that section 1129(a)(13) of the Bankruptcy Code is not applicable in these cases.

34. §1129(a)(14) and (15). I have been advised that sections 1129(a)(14) and (15) of the Bankruptcy Code, which relate to domestic support obligations and required payments by individual debtors, are not applicable in these Chapter 11 Cases.

35. §1129(a)(16). All transfers of property under the Plan will be made in accordance with any applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust. Based on the foregoing, I have been advised that the plan satisfies section 1129(a)(16) of the Bankruptcy Code.

D. Waiver of Stay of Entry of Proposed Confirmation Order

36. I have been advised that Bankruptcy Rule 3020(e) generally provides a 14-day stay of the effectiveness of an order confirming a chapter 11 plan of reorganization, unless the bankruptcy court orders otherwise. I believe that a waiver of the stay, which would permit the Debtors to consummate the Plan and commence its implementation without delay after the entry of the Proposed Confirmation Order, is in the best interests of the Estates and the Debtors' Creditors and will not prejudice any parties in interest. It is my belief that the Plan enjoys overwhelming support among the Debtors' Creditors and is the product of extensive, good-faith negotiations among the Debtors and many of the Creditors. Extending the length of time the Debtors remain in chapter 11 will increase the administrative and professional costs incurred by

the Debtors' Estates. For all of these reasons, I believe the Bankruptcy Court should grant the Debtors' request to waive any stay imposed by the Bankruptcy Rules so that the Bankruptcy Court's order confirming the Plan may be effective immediately upon its entry.

E. Conclusion

37. Based on my personal involvement in the negotiation and implementation of the transactions contemplated by the Plan and these Chapter 11 Cases and my discussions with the Debtors' advisors, I believe that the Plan complies with the applicable provisions of the Bankruptcy Code and was proposed in good faith and negotiated at arm's length. I further believe that the Debtors, acting through their officers, directors, and professionals, have conducted themselves in a manner that complies with applicable law in relation to the formulation and negotiation of, and solicitation of votes on, the Plan.

38. Accordingly, I believe that the Disclosure Statement should be approved, the Plan should be confirmed, and all of the actions and transactions contemplated by the Plan should be approved.

Dated: January 17, 2018
Houston, Texas

By: */s/ Derek C. Boudreaux*
Derek C. Boudreaux
Chief Financial Officer
Montco Offshore, Inc.

Manager
Montco Oilfield Contractors, LLC