

Energy XXI Gulf Coast, Inc. Policy on Insider Trading

General

This Policy on Insider Trading describes the standards of Energy XXI Gulf Coast, Inc. and its subsidiaries (the “Company”) on trading, and causing the trading of, the Company’s securities or securities of certain other publicly traded companies while in possession of confidential information.

This Policy applies to all trading or other transactions in the Company’s securities, including common stock, options and any other securities that the Company may issue. This includes preferred stock, notes, bonds and convertible securities. It also includes derivative securities relating to any of the Company’s securities, regardless of whether issued by the Company.

This Policy is applies to the following persons (“Covered Persons”):

- all directors of the Company;
- all officers of the Company;
- all employees of the Company; and
- all immediate family members or Controlled Entities of each of those individuals.

An individual’s “immediately family member” is defined to mean that individual’s spouse, other persons living in that individual’s household and minor children and entities over which that individual exercises control.

An individual’s “Controlled Entities” is defined to mean corporations, limited liability companies, partnerships, trusts and other entities over which that person exercises control.

One of the principal purposes of the federal securities laws is to prohibit so-called “insider trading.” Simply stated, insider trading occurs when a person uses material non-public information obtained through involvement with the Company to make decisions to purchase, sell, give away or otherwise trade securities of the Company or to provide that information to others outside the Company. In certain circumstances, insider trading can also involve securities of certain other publicly traded companies with which the Company has a relationship through which an employee, officer or director may acquire the material non-public information of that company, including customers, vendors and other third parties.

The prohibitions against insider trading apply to trades, tips and recommendations by virtually any person, including all persons associated with the Company, if the information involved is “material” and “non-public.” These terms are defined in this Policy in Section 7 below. The prohibitions apply to any Covered Person who buys or sells Company stock (or securities of other publicly traded companies) on the basis of material non-public information that he or she obtained about the Company, its customers, suppliers, or other companies with which the Company has contractual relationships or may be negotiating transactions.

1. General Policy: No Trading or Causing Trading While in Possession of Material Non-public Information

(a) No Covered Person may purchase or sell, or offer to purchase or sell, any Company security, regardless of whether issued by the Company, while in possession of material non-public information about the Company. (The terms “material” and “non-public” are defined in Sections 7(a) and 7(b) below.)

(b) No Covered Person who knows of any material non-public information about the Company may communicate that information to (“tip”) any other person, including family members and friends, or otherwise disclose such information without authorization from the Chief Compliance Officer (which is defined in Section 7(c) below).

(c) No Covered Person may purchase or sell any security of any other company while in possession of material non-public information about that company that was obtained in the course of his or her involvement with the Company. No Covered Person who knows of any such material non-public information may communicate that information to, or tip, any other person, including family members and friends, or otherwise disclose that information without authorization from the Chief Compliance Officer.

(d) For compliance purposes, you should never trade, tip or recommend securities (or otherwise cause the purchase or sale of securities) while in possession of information that you have reason to believe is material and non-public unless you first consult with, and obtain the advance approval of, the Chief Compliance Officer.

(e) Covered Persons must “pre-clear” all trading in securities of the Company in accordance with the procedures set forth in Section 4 below.

2. Blackout Periods

All Covered Persons are prohibited from trading in the Company’s securities during blackout periods as defined below.

(a) **Quarterly Blackout Periods.** Trading in the Company’s securities is prohibited during the period beginning at the close of the market on two weeks before the end of each fiscal quarter and ending at the close of business on the second trading day following the date the Company’s financial results for that quarter are publicly disclosed. During these periods, Covered Persons generally possess or are presumed to possess material non-public information about the Company’s financial results.

(b) **Event-Specific Blackout Periods.** From time to time, other types of material non-public information regarding the Company (such as negotiation of mergers, acquisitions or dispositions or new Company developments) may be pending and not yet publicly disclosed. While that type of material non-public information is pending, the Company may impose special blackout periods during which Covered Persons are prohibited from trading in the Company’s securities. If the Company imposes a special blackout period, it will notify the Covered Persons.

(c) **Exception.** These trading restrictions do not apply to transactions under a pre-existing written plan, contract, instruction, or arrangement under Rule 10b5-1 under the Securities Exchange Act of 1934 (an “Approved 10b5-1 Plan”) that:

- (i) has been reviewed and approved at least 15 days in advance of any trades thereunder by the Chief Compliance Officer (or, if revised or amended, with such revisions or amendments having been reviewed and approved by the Chief Compliance Officer, at least 15 days in advance of any subsequent trades);
- (ii) was entered into in good faith by the Covered Person at a time when the Covered Person was not in possession of material non-public information about the Company; and
- (iii) gives a third party the discretionary authority to execute such purchases and sales, outside the control of the Covered Person, so long as such third party does not possess any material non-public information about the Company; or explicitly specifies the security or securities to be purchased or sold, the number of shares, the prices and/or dates of transactions, or other formula(s) describing such transactions.

3. Trading Window

Covered Persons are permitted to trade in the Company’s securities when no blackout period is in effect. Generally, this means that Covered Persons can trade during the period beginning on the close of business on the second trading day following the date the Company’s financial results for the prior fiscal quarter are publicly disclosed and ending on close of the market on the date that is two weeks before the end of the current fiscal quarter. However, even during this trading window, a Covered Person who is in possession of any material non-public information should not trade in the Company’s securities until the information has been made publicly available or is no longer material. In addition, the Company may close this trading window if an event-specific blackout period under Section 2(b) above is imposed and will reopen the trading window once the event-specific blackout period has ended.

4. Pre-clearance of Securities Transactions

(a) The Company requires all Covered Persons to refrain from trading, even during a trading window under Section 3 above, without first pre-clearing all transactions in the Company’s securities.

(b) Subject to the exemption in subsection (d) below, no Covered Person may, directly or indirectly, purchase or sell (or otherwise make any transfer, gift, pledge or loan of) any Company security at any time without first obtaining prior approval from the Chief Compliance Officer or other compliance officers designated from time to time by the Nomination and Governance Committee of the Board (together with the Chief Compliance Officer, a “Designated Compliance Official”). These procedures also apply to

transactions by that person's immediate family members and to transactions by Controlled Entities.

(c) The applicable Designated Compliance Official will record the date each request is received and the date and time each request is approved or disapproved. Unless revoked, a grant of permission will normally remain valid until the close of trading two business days following the day on which it was granted. If the transaction does not occur during the two-day period, pre-clearance of the transaction must be re-requested.

(d) Pre-clearance is not required for purchases and sales of securities under an Approved 10b5-1 Plan. With respect to any purchase or sale under an Approved 10b5-1 Plan, the third party effecting transactions on behalf of the Covered Person should be instructed to send duplicate confirmations of all such transactions to the Chief Compliance Officer.

5. **Exceptions**

The trading restrictions of this Policy do not apply to the following:

(a) **401(k) Plan.** Investing 401(k) plan contributions in a Company stock fund in accordance with the terms of the Company's 401(k) plan. However, any changes in your investment election regarding the Company's stock are subject to trading restrictions under this Policy.

(b) **Options.** Exercising stock options granted under the Company's 2016 Long Term Incentive Plan for cash, the delivery of previously owned Company stock or pursuant to net settlement. However, the sale of any shares issued on the exercise of Company-granted stock options and any cashless exercise (other than net settlement) of Company-granted stock options are subject to trading restrictions under this Policy.

6. **Prohibited Transactions**

(a) Directors and executive officers of the Company are prohibited from trading in the Company's equity securities during a blackout period imposed under an "individual account" retirement or pension plan of the Company, during which at least 50% of the plan participants are unable to purchase, sell or otherwise acquire or transfer an interest in equity securities of the Company, due to a temporary suspension of trading by the Company or the plan fiduciary.

(b) Covered Persons are prohibited from engaging in the following transactions in the Company's securities unless advance approval is obtained from the Chief Compliance Officer:

- (i) **Short-term trading.** Covered Persons who purchase Company securities may not sell any Company securities of the same class for at least six months after the purchase;
- (ii) **Short sales.** Covered Persons may not sell the Company's securities short;
- (iii) **Options trading.** Covered Persons may not buy or sell puts or calls or other derivative securities on the Company's securities;

- (iv) Pledging or trading on margin. Covered Persons may not pledge Company securities as collateral for a loan or hold Company securities in a margin account; and
- (v) Hedging. Covered Persons may not enter into hedging or monetization transactions or similar arrangements with respect to Company securities.

7. Definitions

(a) **Material**. Insider trading restrictions come into play only if the information you possess is “material.” Materiality, however, involves a relatively low threshold. Information is generally regarded as “material” if it has market significance—that is, if its public dissemination is likely to affect the market price of securities, or if it otherwise is information that a reasonable investor would want to know before making an investment decision.

Information dealing with the following subjects is reasonably likely to be found material:

- (i) significant discoveries, dry holes or other information pertaining to drilling programs or wells drilled by the Company;
- (ii) seismic, geological, geophysical, engineering, or other technical information;
- (iii) prospect or trend data;
- (iv) information pertaining to production or proved, provable or possible reserves;
- (v) information about potential, proposed, or completed acquisitions, mergers, or other purchases or sales of oil and gas properties or seismic or other data or technology;
- (vi) financial information including historical, current and projected financial results;
- (vii) changes in earnings estimates, oil and gas reserves, production or other financial or operating metrics;
- (viii) information about future plans or changes in the Company’s operations;
- (ix) information about liquidity, borrowings, security offerings, dividends, security repurchases or redemptions, or changes in previously disclosed financial information;
- (x) changes in debt ratings;
- (xi) changes in management; and

- (xii) information about significant litigation, government agency investigations or regulatory proceedings.

Material information is not limited to historical facts. It may also include projections and forecasts. With respect to a future event, such as a merger, acquisition or a new discovery, the point at which negotiations or the new discovery are determined to be material is determined by balancing the probability that the event will occur against the effect the event would have on a company's operations or stock price should it occur. Thus, information concerning an event that would have a large effect on stock price, such as a merger, may be material even if the possibility that the event will occur is relatively small. When in doubt about whether particular non-public information is material, you should presume it is material. **If you are unsure whether information is material, you should consult the Chief Compliance Officer before making any decision to disclose such information (other than to persons who need to know it) or to trade in or recommend securities to which that information relates.**

(b) **Non-public.** Insider trading prohibitions come into play only when you possess information that is material and "non-public." The fact that information has been disclosed to a few members of the public does not make it public for insider trading purposes. To be "public" the information must have been disseminated in a manner designed to reach investors generally, and the investors must be given the opportunity to absorb the information. Even after public disclosure of information about the Company, you must wait until the close of business on the second trading day after the information was publicly disclosed before you can treat the information as public.

Non-public information may include:

- (i) information available to a select group of analysts, brokers or institutional investors;
- (ii) undisclosed facts that are the subject of rumors, even if the rumors are widely circulated; and
- (iii) information that has been entrusted to the Company on a confidential basis until a public announcement of the information has been made and enough time has elapsed for the market to respond to a public announcement of the information (normally two trading days).

As with questions of materiality, if you are not sure whether information is considered public or non-public, you should either consult with the Chief Compliance Officer or assume that the information is non-public and treat it as confidential.

(c) **Chief Compliance Officer.** The Chief Compliance Officer for this Policy will be designated from time to time by the Nomination and Governance Committee of the Board. The duties of the Chief Compliance Officer include, but are not limited to, the following:

- (i) assisting with implementation and enforcement of this Policy;

- (ii) circulating this Policy to all employees and ensuring that this Policy is amended as necessary to remain up-to-date with insider trading laws;
- (iii) pre-clearing all trading in securities of the Company by Covered Persons in accordance with the procedures set forth in Section 4 above;
- (iv) providing approval of any Rule 10b5-1 plans under Section 2(c) above and any prohibited transactions under Section 6 above; and
- (v) providing a reporting system with an effective whistleblower protection mechanism.

8. Violations of Insider Trading Laws

Penalties for trading on or communicating material non-public information can be severe, both for individuals involved in such unlawful conduct and their employers and supervisors, and may include jail terms, criminal fines, civil penalties and civil enforcement injunctions. Given the severity of the potential penalties, compliance with this Policy is absolutely mandatory.

(a) **Legal Penalties.** A person who violates insider trading laws by engaging in transactions in a company's securities when he or she has material non-public information can be sentenced to a substantial jail term and required to pay a criminal penalty of several times the amount of profits gained or losses avoided.

In addition, a person who tips others may also be liable for transactions by the tippees to whom he or she has disclosed material non-public information. Tippers can be subject to the same penalties and sanctions as the tippees, and the Securities and Exchange Commission (the "SEC") has imposed large penalties even when the tipper did not profit from the transaction.

The SEC can also seek substantial civil penalties from any person who, at the time of an insider trading violation, "directly or indirectly controlled the person who committed such violation," which would apply to the Company and/or management and supervisory personnel. These control persons may be held liable for up to \$1 million or three times the amount of the profits gained or losses avoided, whichever is greater. Even for violations that result in a small or no profit, the SEC can seek penalties from a company and/or its management and supervisory personnel as control persons.

(b) **Company-imposed Penalties.** Employees who violate this Policy may be subject to disciplinary action by the Company, including dismissal for cause. Any exceptions to the Policy, if permitted, may only be granted by the Chief Compliance Officer and must be provided before any activity contrary to the above requirements takes place.

(c) **Individual Responsibility.** Persons subject to this Policy have ethical and legal obligations to maintain the confidentiality of information about the Company and to not engage in transactions in the securities of the Company while in possession of material nonpublic information. Each individual is responsible for making sure that he or she complies with this Policy, and that immediate family members or Controlled Entities also comply with this Policy. In all cases, the responsibility for determining whether an individual is in possession of material

nonpublic information rests with that individual, and any action on the part of the Company, the Chief Compliance Officer or any other Covered Person pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws. You could be subject to severe legal penalties and disciplinary action by the Company for any conduct prohibited by this Policy or applicable securities laws, as described above in this Section 8.

9. Inquiries

If you have any questions regarding any of the provisions of this Policy, please contact the Chief Compliance Officer.

10. Acknowledgment and Certification

All Covered Persons are required to sign the attached acknowledgment and certification.