

EPL OIL & GAS, INC.  
Form DEFM14A  
April 21, 2014  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**SCHEDULE 14A**  
**(Rule 14a-101)**  
**INFORMATION REQUIRED IN PROXY STATEMENT**  
**SCHEDULE 14A INFORMATION**  
**Proxy Statement Pursuant to Section 14(a) of the Securities**  
**Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

**EPL OIL & GAS, INC.**

**(Name of Registrant as Specified in Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**JOINT PROXY STATEMENT/PROSPECTUS**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

The board of directors of Energy XXI (Bermuda) Limited ( EXXI ) and the board of directors of EPL Oil & Gas, Inc. ( EPL ) have each approved an Agreement and Plan of Merger between EXXI, Energy XXI Gulf Coast, Inc., a Delaware corporation and an indirect wholly owned subsidiary of EXXI ( OpCo ), Clyde Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of OpCo ( Merger Sub ), and EPL (the merger agreement ), which provides for the acquisition of EPL by EXXI. Pursuant to the terms of the merger agreement, Merger Sub will merge with and into EPL, with EPL surviving as an indirect wholly owned subsidiary of EXXI (the merger ).

If the merger is completed, each share of EPL common stock, par value \$0.001 per share issued and outstanding, will be converted into the right to receive, at the election of the holder, but subject to proration with respect to the stock and cash portion so that approximately 65% of the aggregate merger consideration is paid in cash and approximately 35% in common shares of EXXI, par value \$0.005 per share: (i) (x) 0.584 of a share of EXXI common stock and (y) \$25.35 in cash without interest; (ii) \$39.00 cash without interest; or (iii) 1.669 shares of EXXI common stock (collectively, the merger consideration ). The merger consideration is fixed and will not be adjusted to reflect stock price changes prior to the closing of the merger. Shares of EXXI common stock outstanding before the completion of the merger will remain outstanding and will not be exchanged, converted or otherwise changed in the merger. EXXI common stock and EPL common stock are currently trading on the NASDAQ Global Select Market and the New York Stock Exchange, respectively, under the symbols EXXI and EPL, respectively. **We urge you to obtain current market quotations of EXXI and EPL common stock.**

Based on the estimated number of shares of EXXI and EPL common stock that will be outstanding immediately prior to the closing of the merger, we estimate that following the merger, existing EXXI shareholders will own approximately 75% of EXXI and former EPL stockholders will own approximately 25% of EXXI.

At a special meeting of EXXI shareholders, EXXI shareholders will be asked to vote on the proposals to (i) approve the issuance of shares of EXXI common stock to EPL stockholders in connection with the merger, and (ii) elect Scott A. Griffiths to serve as a class II director on the EXXI board of directors. Approval of each of these proposals requires the affirmative vote of a majority of the shares of EXXI common stock, present in person or represented by proxy at the EXXI special meeting and entitled to vote thereon, assuming there is a quorum.

All of the executive officers and directors and certain other members of management of EXXI have entered into agreements with EPL under which, subject to the terms and conditions of the agreement, they have agreed to vote all of their EXXI shares in favor of the issuance of shares of EXXI common stock to EPL stockholders in connection with the merger and for the election of Scott A. Griffiths to serve as a class II director to the EXXI board of directors. As of the date of this document, the executive officers, directors and specified other members of management of EXXI hold in the aggregate approximately 3.9% of the outstanding shares of EXXI common stock.

At a special meeting of EPL stockholders, EPL stockholders will be asked to vote on the adoption of the merger agreement. Approval of this proposal requires the affirmative vote of a majority of the shares of EPL common stock entitled to vote at the EPL special meeting. At the EPL special meeting, EPL stockholders will also be asked to

approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to EPL's named executive officers that is based on or otherwise relates to the proposed transactions. At the EPL special meeting, EPL stockholders may also be asked to approve an adjournment of the EPL special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

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All of the executive officers and directors of EPL have entered into agreements with EXXI, OpCo, and Merger Sub, under which, subject to the terms and conditions of the agreement, they have agreed to vote all of their EPL shares in favor of the adoption of the merger agreement and in favor of the merger. As of the date of this document, the executive officers and directors of EPL have voting power with respect to an aggregate of approximately 0.9% of the outstanding shares of EPL common stock.

**The EXXI board of directors has unanimously approved the merger and the merger agreement and unanimously recommends that EXXI shareholders vote FOR the proposal to approve the issuance of shares of EXXI common stock to EPL stockholders in connection with the merger and FOR the proposal to elect Scott A. Griffiths to serve as a class II director on the EXXI board of directors.**

**The EPL board of directors has unanimously adopted and approved the merger and the merger agreement and unanimously recommends that the EPL stockholders vote FOR the proposal to adopt the merger agreement, FOR the approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to EPL's named executive officers that is based on or otherwise relates to the proposed transactions and FOR the proposal to approve the adjournment of the EPL special meeting, if necessary or appropriate, to permit further solicitation of proxies in favor of the proposal to adopt the merger agreement.**

**The obligations of EXXI and EPL to complete the merger are subject to the satisfaction or waiver of several conditions. The accompanying joint proxy statement/prospectus contains detailed information about EXXI, EPL, the special meetings, the merger agreement and the merger. EXXI and EPL encourage you to read the joint proxy statement/prospectus carefully and in its entirety before voting, including the section titled Risk Factors beginning on page 37.**

We look forward to the successful combination of EXXI and EPL.

Sincerely,

John D. Schiller, Jr.

Gary C. Hanna

Chairman and Chief Executive Officer

Chairman, President and Chief Executive Officer

Energy XXI (Bermuda) Limited

EPL Oil & Gas, Inc.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under the joint proxy statement/prospectus or determined if the joint proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The joint proxy statement/prospectus is dated April 21, 2014 and is first being mailed to EXXI shareholders and EPL stockholders on or about April 23, 2014.

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**Energy XXI (Bermuda) Limited**

**Canon s Court, 22 Victoria Street, PO Box HM**

**1179, Hamilton HM EX, Bermuda**

**(441) 295-2244**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS To Be Held On May 30, 2014**

To the Shareholders of Energy XXI (Bermuda) Limited:

You are cordially invited to attend a Special Meeting of Shareholders at Canon s Court, 22 Victoria Street Hamilton HM EX, Bermuda, on May 30, 2014, at 9 a.m., local time, for the following purposes:

to vote on a proposal to approve the issuance of shares of EXXI common stock, par value \$0.005 per share, to the stockholders of EPL Oil & Gas, Inc., a Delaware corporation ( EPL ), as part of the merger consideration in connection with the merger contemplated by the Agreement and Plan of Merger, dated March 12, 2014, by and among EXXI, Energy XXI Gulf Coast, Inc., a Delaware corporation and indirect wholly owned subsidiary of EXXI ( OpCo ), Clyde Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of OpCo ( Merger Sub ), and EPL, as it may be amended from time to time (the merger agreement ), a copy of which is included as Annex A to the joint proxy statement/prospectus of which this notice is a part; and

to vote on a proposal to elect Scott A. Griffiths to serve as a class II director on the EXXI board of directors. EXXI will transact no other business at the special meeting except such business as may properly be brought before the special meeting or any adjournment or postponement thereof. Please refer to the joint proxy statement/prospectus of which this notice is a part for further information with respect to the business to be transacted at the special meeting.

The EXXI board of directors has fixed the close of business on April 21, 2014 as the record date for the special meeting. Only EXXI shareholders of record at that time are entitled to receive notice of, and to vote at, the special meeting or any adjournment or postponement thereof.

All of the executive officers and directors and certain other members of management of EXXI have entered into agreements with EPL under which, subject to the terms and conditions of the agreement, they have agreed to vote all of their EXXI shares in favor of the issuance of shares of EXXI common stock to EPL stockholders in connection with the merger and for the election of Scott A. Griffiths to serve as a class II director on the EXXI board of directors. As of the date of this document, the executive officers, directors and specified other members of management of EXXI hold in the aggregate approximately 3.9% of the outstanding shares of EXXI common stock.

Completion of the merger is conditioned on, among other things, approval of the issuance of shares of EXXI common stock shares to EPL stockholders and the election of Scott A. Griffiths to serve as a class II director on the EXXI board of directors, which requires the approval of a majority of the votes cast at the special meeting, assuming there is

a quorum.

**The EXXI board of directors has unanimously approved the merger and the merger agreement and unanimously recommends that EXXI shareholders vote FOR the proposal to approve the issuance of shares of EXXI common stock to EPL stockholders in connection with the merger and FOR the proposal to elect Scott A. Griffiths to serve as a class II director on the EXXI board of directors.**



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**Your vote is very important, regardless of the number of shares that you own. Whether or not you expect to attend the special meeting in person, to ensure your representation at the special meeting, we urge you to review the accompanying materials carefully and submit a proxy to vote your shares as promptly as possible by any of the following methods:**

**Internet. You may submit a proxy electronically on the Internet by following the instructions at [www.proxyvote.com](http://www.proxyvote.com). You will need the control number that appears on your proxy card to vote online. Internet voting facilities will be available 24 hours a day and will close at 11:59 p.m., Eastern Time, on the day before the EXXI special meeting.**

**Telephone. You may submit a proxy by telephone (from U.S. and Canada only) using the toll-free number: 888-859-0724. The telephone number is toll free, at no charge to our shareholders. Please have your proxy card in hand when you call. Telephone voting facilities will be available 24 hours a day and will close at 11:59 p.m., Eastern Time, on the day before the EXXI special meeting. An agent will be available to answer questions from 8:00 a.m. through 8:00 p.m. (Eastern Time), Monday through Friday.**

**Mail. You may indicate your vote by completing, signing and dating your proxy card and returning it in the enclosed reply envelope.**

Submitting a proxy will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any eligible record holder of EXXI common stock who is present at the special meeting may vote in person, thereby canceling any previous proxy. In any event, a proxy may be revoked in writing at any time before the special meeting in the manner described in the accompanying document. If your shares are held in the name of a bank, broker or other nominee, please follow the instructions on the voting instruction card furnished by the bank, broker or other nominee.

The enclosed joint proxy statement/prospectus provides a detailed description of the merger and the merger agreement and the other matters to be considered at the special meeting. We urge you to carefully read the joint proxy statement/prospectus, including any documents incorporated by reference, and the Annexes in their entirety. If you have any questions concerning the merger or the joint proxy statement/prospectus, would like additional copies or need help voting your shares of EXXI common stock, please contact EXXI's proxy solicitor:

Eagle Rock Proxy Advisors LLC

12 Commerce Drive

Cranford, NJ 07016

Please Call Toll Free at 888-859-0724.

By Order of the EXXI Board of Directors,  
John D. Schiller, Jr.  
Chairman and Chief Executive Officer

Houston, Texas

April 21, 2014

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**EPL Oil & Gas, Inc.**

**919 Milam Street, Suite 1600**

**Houston, Texas 77002**

**(713) 228-0711**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS To Be Held On May 30, 2014**

To the Stockholders of EPL Oil & Gas, Inc.:

We are pleased to invite you to attend the special meeting of stockholders of EPL, at The Four Seasons Hotel, 1300 Lamar St., Houston, Texas on May 30, 2014, at 9:30 a.m., local time, for the following purposes:

to vote on a proposal to adopt the Agreement and Plan of Merger, dated as of March 12, 2014, by and among EPL, Energy XXI (Bermuda) Limited, an exempted company under the laws of Bermuda ( EXXI ), Energy XXI Gulf Coast, Inc., a Delaware corporation and indirect wholly owned subsidiary of EXXI ( OpCo ), and Clyde Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of OpCo ( Merger Sub ), as it may be amended from time to time (the merger agreement ), a copy of which is included as Annex A to the joint proxy statement/prospectus of which this notice is a part;

to consider and cast an advisory (non-binding) vote on the compensation that may be paid or become payable to EPL's named executive officers that is based on or otherwise relates to the proposed transactions; and

to vote on a proposal to approve the adjournment of the EPL special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the first proposal listed above.

EPL will transact no other business at the special meeting except such business as may properly be brought before the special meeting or any adjournment or postponement thereof. Please refer to the joint proxy statement/prospectus of which this notice is a part for further information with respect to the business to be transacted at the EPL special meeting.

The EPL board of directors has fixed the close of business on April 21, 2014 as the record date for the EPL special meeting. Only EPL stockholders of record at that time are entitled to receive notice of, and to vote at, the EPL special meeting or any adjournment or postponement thereof. A complete list of such stockholders will be available for inspection by any EPL stockholder for any purpose germane to the special meeting during ordinary business hours at EPL's offices at 919 Milam, Suite 1600, Houston, Texas 77002 for the ten days preceding the EPL special meeting. The eligible EPL stockholder list will also be available at the EPL special meeting for examination by any stockholder present at such meeting.

All of the executive officers and directors of EPL have entered into agreements with EXXI, OpCo and Merger Sub under which, subject to the terms and conditions of the merger agreement, they have agreed to vote all of their EPL shares in favor of the merger agreement. As of the date of this document, the executive officers and directors of EPL have voting power with respect to an aggregate of approximately 0.9% of the issued and outstanding shares of EPL common stock entitled to vote at the EPL special meeting.

Completion of the merger is conditioned on adoption of the merger agreement by the EPL stockholders, which requires the affirmative vote of a majority of the issued and outstanding shares of EPL common stock that are entitled to vote at the EPL special meeting.

**The EPL board of directors has unanimously adopted and approved the merger and the merger agreement and unanimously recommends that EPL stockholders vote FOR the proposal to adopt the merger agreement, FOR the approval, on an advisory (non-binding) basis, of the compensation that may be paid or become**

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payable to EPL's named executive officers that is based on or otherwise relates to the proposed transactions and **FOR** the proposal to approve the adjournment of the EPL special meeting, if necessary or appropriate, to permit further solicitation of proxies in favor of the proposal to adopt the merger agreement.

**Your vote is very important, regardless of the number of shares that you own. Regardless of whether you expect to attend the EPL special meeting in person, to ensure your representation at the EPL special meeting, we urge you to submit a proxy to vote your shares as promptly as possible by (i) accessing the internet site listed on the EPL proxy card, (ii) calling the toll-free number listed on the EPL proxy card or (iii) submitting your EPL proxy card by mail by using the provided self-addressed, stamped envelope.**

Submitting a proxy will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any eligible record holder of EPL stock who is present at the EPL special meeting may vote in person, thereby revoking any previous proxy. In any event, a proxy may be revoked in writing at any time before the EPL special meeting in the manner described in the accompanying joint proxy statement/prospectus. If your shares are held in the name of a bank, broker or other nominee, please follow the instructions on the voting instruction card furnished by such bank, broker or other nominee.

The enclosed joint proxy statement/prospectus provides a detailed description of the merger and the merger agreement and the other matters to be considered at the EPL special meeting. We urge you to carefully read the joint proxy statement/prospectus, including any documents incorporated by reference, and the Annexes in their entirety. If you have any questions concerning the merger or the joint proxy statement/prospectus, would like additional copies or need help voting your shares of EPL common stock, please contact EPL's proxy solicitor:

MacKenzie Partners Inc.

105 Madison Avenue

New York, NY 10016

[proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com)

Stockholders, please call toll free: (800) 322-2885

Banks and Brokerage Firms, please call collect: (212) 929-5500

By Order of the EPL Board of Directors,

David P. Cedro

*Senior Vice President, Chief Accounting  
Officer and Corporate Secretary*

Houston, Texas

April 21, 2014

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**ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates important business and financial information about EXXI and EPL from other documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into this joint proxy statement/prospectus free of charge by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Eagle Rock Proxy Advisors LLC

12 Commerce Drive

Cranford, NJ 07016

Please Call Toll Free at 888-859-0724.

Outside of the U.S., Call Collect at 908-497-2340

MacKenzie Partners Inc.

105 Madison Avenue

New York, NY 10016

proxy@mackenziepartners.com

Please Call Toll Free at (800) 322-2885

Please Call Collect at (212) 929-5500

**Investors may also consult EXXI's or EPL's website for more information about EXXI or EPL, respectively. EXXI's website is [www.energyxxi.com](http://www.energyxxi.com). EPL's website is [www.eplweb.com](http://www.eplweb.com). Information included on these websites is not incorporated by reference into this joint proxy statement/prospectus.**

**If you would like to request any documents, please do so by May 25, 2014, in order to receive them before the special meetings.**

For a more detailed description of the information incorporated by reference in this joint proxy statement/prospectus and how you may obtain it, see "Where You Can Find More Information" beginning on page 209.

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**ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS**

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the U.S. Securities and Exchange Commission (the "SEC") by EXXI, constitutes a prospectus of EXXI under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the shares of EXXI common stock to be issued to EPL stockholders in connection with the merger. This joint proxy statement/prospectus also constitutes a joint proxy statement for both EXXI and EPL under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and notices of meeting with respect to the special meetings of EXXI shareholders and EPL stockholders.

You should rely only on the information contained in or incorporated by reference into this joint proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated April 21, 2014. You should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this joint proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither our mailing of this joint proxy statement/prospectus to EXXI shareholders or EPL stockholders nor the issuance by EXXI of shares of common stock pursuant to the merger agreement will create any implication to the contrary.

**This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation. Information contained in this joint proxy statement/prospectus regarding EXXI has been provided by EXXI and information contained in this joint proxy statement/prospectus regarding EPL has been provided by EPL.**

All references in this joint proxy statement/prospectus to "EXXI" refer to Energy XXI (Bermuda) Limited, an exempt company formed under the laws of Bermuda; all references in this joint proxy statement/prospectus to "OpCo" refer to Energy XXI Gulf Coast, Inc., a Delaware corporation and an indirect wholly owned subsidiary of EXXI; all references in this joint proxy statement/prospectus to "Merger Sub" refer to Clyde Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of OpCo formed for the sole purpose of effecting the merger; all references in this joint proxy statement/prospectus to "EPL" refer to EPL Oil & Gas, Inc., a Delaware corporation. Unless otherwise indicated or as the context requires, all references in this joint proxy statement/prospectus to "we," "our" and "us" refer to EXXI and EPL collectively; and, unless otherwise indicated or as the context requires, all references to the "merger agreement" refer to the Agreement and Plan of Merger, dated as of March 12, 2014, by and among Energy XXI (Bermuda) Limited, Energy XXI Gulf Coast, Inc., Clyde Merger Sub, Inc. and EPL Oil & Gas, Inc., which is incorporated by reference into this joint proxy statement/prospectus and a copy of which is included as Annex A to this joint proxy statement/prospectus, as the same may be amended from time to time. EXXI and EPL, subject to and following completion of the merger, are sometimes referred to in this joint proxy statement/prospectus as the "combined company."

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**QUESTIONS AND ANSWERS**

*The following are some questions that you, as an EXXI shareholder or an EPL stockholder, may have regarding the merger and the other matters being considered at the special meetings and the answers to those questions. EXXI and EPL urge you to carefully read the remainder of this joint proxy statement/prospectus, including any documents incorporated by reference, and the Annexes in their entirety because the information in this section does not provide all of the information that might be important to you with respect to the merger agreement, the merger and the other matters being considered at the special meetings.*

**Q: Why am I receiving this joint proxy statement/prospectus?**

A: EXXI and EPL have agreed to a business combination pursuant to the terms of the merger agreement that is described in this joint proxy statement/prospectus. A copy of the merger agreement is included in this joint proxy statement/prospectus as Annex A.

In order to complete the merger, among other conditions:

EXXI shareholders must approve the issuance of EXXI common shares to EPL stockholders in connection with the merger;

EXXI shareholders must elect Scott A. Griffiths to serve as a class II director on the EXXI board of directors; and

EPL stockholders must adopt the merger agreement.

EXXI and EPL will hold separate special meetings of their shareholders or stockholders, as the case may be, to obtain these approvals. This joint proxy statement/prospectus, including its Annexes, contains and incorporates by reference important information about EXXI and EPL, the merger and the special meetings of EXXI and EPL. You should read all of the available information carefully and in its entirety.

**Q: What effect will the merger have?**

A: EXXI and EPL have entered into the merger agreement pursuant to which EPL will become an indirect wholly owned subsidiary of EXXI and EPL stockholders will receive the merger consideration in exchange for their shares of EPL common stock.

**Q: What will I receive in the merger?**

A: *EXXI Shareholders*: Whether or not the merger is completed, EXXI shareholders will retain the EXXI common stock that they currently own. They will not receive any merger consideration, and they will not receive any additional shares of EXXI common stock in the merger.

A: *EPL Stockholders*: At the effective time of the merger (the effective time), each share of EPL common stock issued and outstanding immediately prior to such effective time (excluding shares held by EPL in treasury, any shares held by EXXI, OpCo or Merger Sub and any shares held by any other subsidiary of EXXI or EPL and dissenting shares in accordance with Delaware law) will be converted into the right to receive, at the election of the holder but subject to proration with respect to the stock and cash portion so that approximately 65% of the aggregate merger consideration is paid in cash and approximately 35% is paid in shares of EXXI common stock, one of the following:

1.669 shares of EXXI common stock (which, based on \$23.46, the closing price of shares of EXXI common stock as of April 16, 2014, had a value of \$39.15 on a rounded basis) (any such election referred to as a stock election);

\$39.00 in cash without interest (any such election referred to as a cash election); or

0.584 of a share of EXXI common stock (which, based on \$23.46, the closing price of shares of EXXI common stock as of April 16, 2014, had a value of \$13.70 on a rounded basis) and \$25.35 in cash without interest (any such election referred to as a mixed election).

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The closing price of EPL common stock as of April 16, 2014 was \$38.78 per share.

The greater the oversubscription of the stock election, the less stock and more cash an EPL stockholder making the stock election will receive. Reciprocally, the greater the oversubscription of the cash election, the less cash and more stock an EPL stockholder making the cash election will receive. However, in no event will an EPL stockholder who makes the cash election receive less cash and more shares of EXXI common stock than a stockholder who makes the mixed election. Furthermore, in no event will an EPL stockholder who makes the stock election receive fewer shares of EXXI common stock and more cash than a stockholder who makes the mixed election.

For a more complete description of what EPL stockholders will be entitled to receive pursuant to the merger, see *The Merger Agreement Terms of the Merger; Merger Consideration* on page 133.

### **Q: What is the value of the merger consideration?**

A: EPL stockholders who make a cash election will, subject to proration, receive \$39.00 per share of EPL common stock. Because EXXI will issue approximately 23.4 million shares of EXXI common stock as part of the merger consideration in exchange for all of the shares of EPL common stock, the value of the merger consideration that EPL stockholders who make a stock election or a mixed election (or a cash election, if over-subscribed) receive will depend on the price per share of EXXI common stock at the effective time. That price will not be known at the time of the special meetings and may be greater or less than the current price or the price at the time of the special meetings. We urge you to obtain current market quotations of EXXI common stock and EPL common stock. See *Risk Factors* beginning on page 37.

### **Q: When and where will the special meetings be held?**

A: *EXXI Shareholders:* The special meeting of EXXI shareholders (the *EXXI special meeting*) will be held at Canon's Court, 22 Victoria Street Hamilton HM EX, Bermuda on May 30, 2014, at 9 a.m., local time.

*EPL Stockholders:* The special meeting of EPL stockholders (the *EPL special meeting*) will be held at The Four Seasons Hotel, 1300 Lamar St., Houston, Texas on May 30, 2014, at 9:30 a.m., local time.

### **Q: Who is entitled to vote at the special meetings?**

A: *EXXI Shareholders:* The record date for the EXXI special meeting is April 21, 2014. Only record holders of shares of EXXI common stock at the close of business on such date are entitled to notice of, and to vote at, the EXXI special meeting or any adjournment or postponement thereof.

*EPL Stockholders:* The record date for the EPL special meeting is April 21, 2014. Only record holders of shares of EPL common stock at the close of business on such date are entitled to notice of, and to vote at, the EPL special meeting or any adjournment or postponement thereof.

**Q: What constitutes a quorum at the special meetings?**

A: *EXXI Shareholders:* Shareholders who hold shares representing at least 33 and 1/3% of the voting power of all outstanding shares of capital stock entitled to vote at the EXXI special meeting must be present in person or represented by proxy to constitute a quorum. All shares of EXXI common stock represented at the EXXI special meeting, including shares that are represented but that vote to abstain and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum.

*EPL Stockholders:* Stockholders who hold shares representing at least a majority of the outstanding voting power of all outstanding classes of capital stock entitled to vote at the EPL special meeting must be present in person or represented by proxy to constitute a quorum. In connection with the EPL special meeting,

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shares of EPL common stock represented at the EPL special meeting, including shares that are represented but abstain, will be treated as present for purposes of determining the presence or absence of a quorum. Broker non-votes will not be treated as present for purposes of determining the presence or absence of a quorum.

Additional information on the quorum requirements can be found under *The EXXI Special Meeting Quorum* on page 50 with respect to EXXI and *The EPL Special Meeting Quorum* on page 55 with respect to EPL.

**Q: How do I vote if I am a shareholder or stockholder of record?**

A: *EXXI Shareholders:* Record holders may vote or submit a proxy to have their shares of EXXI common stock voted by one of the following methods:

*Internet.* You may submit a proxy electronically on the Internet by following the instructions at [www.proxyvote.com](http://www.proxyvote.com). You will need the control number that appears on your proxy card to vote online. Internet voting facilities will be available 24 hours a day and will close at 11:59 p.m., Eastern Time, on the day prior to the EXXI special meeting.

*Telephone.* You may submit a proxy by telephone (from U.S. and Canada only) using the toll-free number: 888-859-0724. The telephone number is toll free, at no charge to EXXI shareholders. Please have your proxy card in hand when you call. Telephone voting facilities will be available 24 hours a day and will close at 11:59 p.m., Eastern Time, on the day prior to the EXXI special meeting. An agent will be available to answer questions from 8:00 a.m. through 8:00 p.m. (Eastern Time), Monday through Friday.

*Mail.* You may indicate your vote by completing, signing and dating your proxy card and returning it in the enclosed reply envelope.

*In person.* You may vote in person at the EXXI special meeting by completing a ballot; however, attending the meeting without completing a ballot will not count as a vote.

If you hold shares of EXXI common stock in *street name* through a bank, broker or other nominee, please follow the voting instructions provided by your bank, broker or other nominee to ensure that your shares are represented at the EXXI special meeting.

*EPL Stockholders:* If you were a record holder of EPL stock at the close of business on the record date for the EPL special meeting, you may vote in person by attending the EPL special meeting or, to ensure that your shares are represented at the EPL special meeting, you may authorize a proxy to vote by:

*Internet.* You may submit a proxy electronically on the Internet by following the instructions at [www.proxyvote.com](http://www.proxyvote.com). You will need the control number that appears on your proxy card to vote online. Internet voting facilities will be available 24 hours a day and will close at 11:59 p.m., Eastern Time, on the



day prior to the EPL special meeting.

*Telephone.* You may submit a proxy by telephone (from U.S. and Canada only) using the toll-free number: (800) 322-2885. The telephone number is toll free, at no charge to EPL stockholders. Please have your proxy card in hand when you call. Telephone voting facilities will be available 24 hours a day and will close at 11:59 p.m., Eastern Time, on the day prior to the EPL special meeting. An agent will be available to answer questions from 8:00 a.m. through 8:00 p.m. (Eastern Time), Monday through Friday.

*Mail.* You may indicate your vote by completing, signing and dating your proxy card and returning it in the enclosed reply envelope.

*In person.* You may vote in person at the EPL special meeting by completing a ballot; however, attending the meeting without completing a ballot will not count as a vote.

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If you hold EPL shares in street name through a bank, broker or other nominee, please follow the voting instructions provided by your bank, broker or other nominee to ensure that your shares are represented at the EPL special meeting.

**Q: How many votes do I have?**

A: *EXXI Shareholders:* With respect to each proposal to be presented at the EXXI special meeting, holders of EXXI common stock are entitled to one vote for each share of EXXI common stock owned at the close of business on the EXXI record date. At the close of business on the EXXI record date, there were 70,340,943 shares of EXXI common stock outstanding and entitled to vote at the EXXI special meeting.

*EPL Stockholders:* With respect to each proposal to be presented at the EPL special meeting, holders of EPL common stock as of the EPL record date are entitled to one vote for each share of EPL common stock owned at the close of business on the EPL record date. At the close of business on the EPL record date, there were 39,206,958 shares of EPL common stock outstanding and entitled to vote at the EPL special meeting.

**Q: Who will serve on the board of directors of EXXI following the completion of the merger?**

A: The merger agreement provides that, upon completion of the merger, the board of directors of EXXI will consist of seven members, including, (i) six members who are the current members of the existing EXXI board of directors (currently five of whom are independent for purposes of the rules of the NASDAQ) and (ii) one member designated by the current members of the EPL board of directors, subject to the consent of the EXXI nomination committee, who will stand for election as a class II director at the special meeting. Prior to the initial filing of this joint proxy statement/prospectus, the EPL board of directors designated, and the EXXI nomination committee approved, Scott A. Griffiths to stand for election to the EXXI board of directors at the EXXI special meeting. The election of Mr. Griffiths by the EXXI shareholders at the special meeting to serve as a class II director on the EXXI board until the EXXI shareholder meeting in the fall of 2016 is a condition to the consummation of the merger. As of the date of this joint proxy statement/prospectus, it is anticipated that John D. Schiller, Jr., William Colvin, Paul Davison, Cornelius Dupré II, Hill A. Feinberg, Kevin Flannery, and Scott A. Griffiths will serve as members of the board of directors of EXXI following the merger.

**Q: Who will serve as executive management of EXXI following the completion of the merger?**

A: Following the completion of the merger, it is anticipated that each of the EXXI executive officers will continue in their current positions, and under the same compensation plans and arrangements that were in place prior to the merger.

**Q: What vote is required to approve each proposal?**

A:

*EXXI Shareholders:* The approval of each of (i) the issuance of EXXI common shares to EPL stockholders in connection with the merger and (ii) the election of Scott A. Griffiths to serve as a class II director on the EXXI board of directors requires the affirmative vote of a majority of the shares of EXXI common stock, present in person or represented by proxy at the EXXI special meeting and entitled to vote thereon, assuming there is a quorum.

A failure to vote, abstentions and broker non-votes will not be counted and will not affect the outcome of the vote on these proposals.

*EPL Stockholders:* The adoption of the merger agreement requires the affirmative vote of a majority of the issued and outstanding shares of EPL common stock that are entitled to vote at the EPL special meeting. Failures to vote, broker non-votes and abstentions will have the same effect as a vote **AGAINST** the approval of such proposal.

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The approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to EPL's named executive officers that is based on or otherwise relates to the proposed transactions requires the affirmative vote of the holders of a majority of the outstanding voting power of all classes of EPL stock present, in person or represented by proxy, at the special meeting and entitled to vote at the meeting and which has actually been voted, assuming there is a quorum present. Failures to vote, abstentions and broker non-votes will have no effect on the vote for this proposal.

The adjournment of the EPL special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to adopt the merger agreement requires the affirmative vote of the holders of a majority of the outstanding voting power of all classes of stock entitled to vote thereon, present in person or represented by proxy and entitled to vote at the meeting and which has actually been voted at the EPL special meeting. If a quorum is not present, EPL's bylaws permit the Chairman to adjourn the meeting without a stockholder vote. Failures to vote, abstentions and broker non-votes will have no effect on the vote for this proposal.

### **Q: How does the EXXI board of directors recommend that EXXI shareholders vote?**

A: The EXXI board of directors has unanimously approved the merger and the merger agreement and unanimously recommends that EXXI shareholders vote **FOR** the proposal to approve the issuance of shares of EXXI common stock to EPL stockholders in connection with the merger and **FOR** the proposal to elect Scott A. Griffiths to serve as a class II director on the EXXI board of directors.

### **Q: How does the EPL board of directors recommend that EPL stockholders vote?**

A: The EPL board of directors has unanimously adopted and approved the merger agreement and determined that, on the terms and subject to the conditions set forth in the merger agreement, the merger agreement and the transactions contemplated thereby, including the merger, are advisable, fair to and in the best interests of EPL and its stockholders. Accordingly, the EPL board of directors unanimously recommends that EPL stockholders vote **FOR** the proposal to adopt the merger agreement, **FOR** the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to EPL's named executive officers that is based on or otherwise relates to the proposed transactions and **FOR** the proposal to approve the adjournment of the EPL special meeting, if necessary or appropriate, to permit further solicitation of proxies in favor of the proposal to adopt the merger agreement.

### **Q: My shares are held in street name by my bank, broker or other nominee. Will my bank, broker or other nominee automatically vote my shares for me?**

A: No. If your shares are held through a bank, broker or other nominee, you are considered the beneficial holder of the shares held for you in what is known as street name. The record holder of such shares is your bank, broker or other nominee, and not you. If this is the case, this joint proxy statement/prospectus has been forwarded to you by your bank, broker or other nominee. You must provide the record holder of your shares with instructions on how to vote your shares. Otherwise, your bank, broker or other nominee may not vote your shares on any of the

proposals to be considered at the EXXI special meeting or the EPL special meeting, as applicable, and a broker non-vote will result.

In connection with the EXXI special meeting, broker non-votes will have no effect on the proposals to be considered at the EXXI special meeting.

In connection with the EPL special meeting, broker non-votes will have (i) the same effect as a vote AGAINST the proposal to adopt the merger agreement, (ii) no effect on the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to EPL's named executive officers that is based on or otherwise relates to the proposed transactions and (iii) no effect on the proposal to approve the adjournment of the EPL special meeting, if necessary or appropriate, to permit further solicitation of proxies in favor of the proposal to adopt the merger agreement.

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Please follow the voting instructions provided by your bank, broker or other nominee so that it may vote your shares on your behalf. Please note that you may not vote shares held in street name by returning a proxy card directly to EXXI or EPL or by voting in person at the special meeting unless you first obtain a legal proxy from your bank, broker or other nominee.

### **Q: What will happen if I fail to vote or I abstain from voting?**

A: *EXXI Shareholders:* If you fail to vote, attend the EXXI special meeting and abstain or mark your proxy or voting instructions to abstain, it will not have any effect on the vote for the proposals.

*EPL Stockholders:* If you fail to vote or abstain from voting, it will have (i) the same effect as a vote AGAINST the proposal to adopt the merger agreement, (ii) no effect on the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to EPL's named executive officers that is based on or otherwise relates to the proposed transactions and (iii) no effect on the proposal to approve the adjournment of the EPL special meeting, if necessary or appropriate, to permit further solicitation of proxies in favor of the proposal to adopt the merger agreement.

### **Q: What will happen if I return my proxy card without indicating how to vote?**

A: *EXXI Shareholders:* If you properly complete and sign your proxy card but do not indicate how your shares of EXXI common stock should be voted on a proposal, the shares of EXXI common stock represented by your proxy will be voted as the EXXI board of directors recommends and, therefore, FOR (i) the issuance of EXXI common shares to EPL stockholders in connection with the merger and (ii) the election of Scott A. Griffiths to serve as a class II director on the EXXI board of directors.

*EPL Stockholders:* If you properly complete and sign your proxy card but do not indicate how your shares of EPL common stock should be voted on a proposal, the shares of EPL common stock represented by your proxy will be voted as the EPL board of directors recommends and, therefore, FOR (i) the proposal to adopt the merger agreement, (ii) the proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to EPL's named executive officers that is based on or otherwise relates to the proposed transactions and (iii) the proposal to approve the adjournment of the EPL special meeting, if necessary or appropriate, to permit further solicitation of proxies in favor of the proposal to adopt the merger agreement.

### **Q: Can I change my vote or revoke my proxy after I have returned a proxy or voting instruction card?**

A: Yes.

If you are the record holder of either EXXI or EPL common stock, you can change your vote or revoke your proxy at any time before your proxy is voted at the applicable special meeting. You can do this by:

timely delivering a signed written notice of revocation;

timely delivering a new, valid proxy bearing a later date (including by telephone or through the internet); or

attending the special meeting and voting in person, which will automatically cancel any proxy previously given, or revoking your proxy in person. Simply attending the EXXI special meeting or the EPL special meeting without voting will not revoke any proxy that you have previously given or change your vote.

If you choose either of the first two methods, your notice of revocation or your new proxy must be received by the Secretary of EXXI or EPL, as applicable, no later than the beginning of the applicable special meeting.

Regardless of the method used to deliver your previous proxy, you may revoke your proxy by any of the above methods.

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If you hold shares of EXXI or EPL in street name : If your shares are held in street name, you must contact your bank, broker or other nominee to change your vote.

**Q: What are the expected material U.S. federal income tax consequences of the merger to a U.S. holder of EPL common stock?**

A: The receipt of the merger consideration by a U.S. holder (as such term is defined below under Material U.S. Federal Income Tax Consequences ) of EPL common stock in exchange for shares of EPL common stock pursuant to the merger will be a fully taxable transaction for U.S. federal income tax purposes. In general, a U.S. holder who receives the merger consideration in exchange for shares of EPL common stock pursuant to the merger will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between (i) the sum of the fair market value as of the effective time of any EXXI common stock received and the amount of any cash received, and (ii) the U.S. holder's adjusted tax basis in its shares of EPL common stock.

For a more detailed discussion of the material U.S. federal income tax consequences of the merger to U.S. holders of EPL common stock, see the section titled Material U.S. Federal Income Tax Consequences beginning on page 163. **Tax matters can be complicated, and the tax consequences of the merger to you will depend on your particular tax situation. You are encouraged to consult your tax advisor to determine the tax consequences of the merger to you.**

**Q: What are the expected material U.S. federal income tax consequences of the merger to a non-U.S. holder of EPL common stock?**

A: A non-U.S. holder (as such term is defined below under Material U.S. Federal Income Tax Consequences ) of EPL common stock is not expected to be subject to U.S. federal income tax as a result of its receipt of the merger consideration in exchange for shares of EPL common stock pursuant to the merger, unless the non-U.S. holder (i) is an individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year of the merger and certain other conditions are met, (ii) is engaged in trade or business in the United States (and, if required by an applicable tax treaty, maintains a permanent establishment in the United States), or (iii) actually or constructively owns, or owned at any time during the five-year period ending on the date of the merger or, if shorter, the non-U.S. holder's holding period for its EPL common stock, more than 5% of the shares of EPL common stock.

For a more detailed discussion of the material U.S. federal income tax consequences of the merger to non-U.S. holders of EPL common stock, see the section titled Material U.S. Federal Income Tax Consequences beginning on page 163. **Tax matters can be complicated, and the tax consequences of the merger to you will depend on your particular tax situation. You are encouraged to consult your tax advisor to determine the tax consequences of the merger to you.**

**Q: When do you expect the merger to be completed?**



A: EXXI and EPL hope to complete the merger as soon as reasonably possible and expect the closing of the merger to occur on or about June 3, 2014. However, the merger is subject to the satisfaction or waiver of other conditions, and it is possible that factors outside the control of EXXI and EPL could result in the merger being completed at an earlier time, a later time or not at all.

**Q: Do I need to do anything with my shares of common stock other than vote for the proposals at the special meeting?**

A: *EXXI Shareholders:* If you are an EXXI shareholder, after the merger is completed, you are not required to take any action with respect to your shares of EXXI common stock.

*EPL Stockholders:* A form of election was included in the mailing with this joint proxy statement/prospectus. You should carefully review and follow the instructions accompanying that form of election.

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You will make your cash, stock or mixed election by properly completing, signing and returning the form of election to either Continental Stock Transfer & Trust Co. ( Continental ) as exchange agent for EXXI s common stock in the United States or Capita Asset Services ( Capita ) as exchange agent for EXXI s common stock in the United Kingdom.

Do NOT submit any stock certificates (or evidence of shares in book-entry form) with your proxy card.

For more details on the election procedures, see The Merger Agreement Exchange Procedures on page 134.

**Q: If I am an EPL stockholder, when must I elect the type of merger consideration that I prefer to receive?**

A: Not less than 30 days prior to the anticipated effective time (the election form mailing date ), EPL will mail an election form to each holder of record of EPL common stock (including any restricted shares and any holders of phantom shares and net exercise shares, but excluding any excluded shares) as of a record date that is five business days prior to the election form mailing date. Holders of EPL common stock who wish to elect the type of merger consideration they prefer to receive pursuant to the merger should review and follow carefully the instructions set forth in the election form. These instructions require that a properly completed and signed election form be received by the exchange agent by the election deadline, which is 5:00 p.m., Eastern Time, on the second business day prior to the effective time. If an EPL stockholder does not submit a properly completed and signed election form to the exchange agent by the election deadline, that stockholder will receive a mix of cash and stock consideration consisting of \$25.35 in cash and 0.584 of a share of EXXI common stock in exchange for each EPL share.

**Q: Can I change my election after the form of election has been submitted?**

A: Yes. You may revoke your election prior to the election deadline by submitting a written notice of revocation to the exchange agent or by submitting new election materials. Revocations must specify the name in which your shares of EPL common stock are registered on the stock transfer books of EPL and such other information as the exchange agent may request. If you wish to submit a new election, you must do so in accordance with the election procedures described in this joint proxy statement/prospectus and in the form of election you received with this joint proxy statement/prospectus. If you instructed a broker, bank, trustee or other nominee to submit an election for your shares of EPL common stock, you must follow the directions of your broker, bank, trustee or other nominee for changing those instructions. **Whether you revoke your election by submitting a written notice of revocation or by submitting new election materials, the notice of materials must be received by the exchange agent by the election deadline in order for the revocation or new election to be valid.** See The Merger EPL Stockholders Making Elections Election Revocation and Changes on page 127.

**Q: How may I transfer shares of EPL common stock after I make my election?**

A: EPL stockholders who have made elections will be unable to sell or otherwise transfer their shares after making the election, unless the election is properly revoked before the election deadline or unless the merger agreement is terminated. See The Merger EPL Stockholders Making Elections Impact of Selling

Shares as to which an Election has Already Been Made on page 127.

**Q: What if I do not send a form of election or it is not received?**

A: If the exchange agent does not receive a properly completed form of election from you before the election deadline, then you will have no control over the type of merger consideration you receive. EPL stockholders not making an election will be deemed to have made a mixed election. See The Merger EPL Stockholders Making Elections Non-Electing Holders. **You bear the risk of delivery and should send any form of election by courier or by hand to the appropriate address shown in the form of election.**

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If you do not make a valid election with respect to any shares of EPL common stock you own of record, you will receive written instructions from the exchange agent after completion of the proposed transactions on how to exchange your shares of EPL common stock for the merger consideration.

**Q: May I submit a form of election even if I do not vote to adopt the merger agreement?**

A: Yes. You may submit a form of election even if you vote against the adoption of the merger agreement or if you abstain from voting.

**Q: How will I receive the merger consideration to which I am entitled?**

A: You will be paid the merger consideration as promptly as practicable after the effective time and after receipt by the exchange agent of your stock certificates (or evidence of shares in book-entry form), a duly executed letter of transmittal and any additional documents required by the procedures set forth in the form of election or the letter of transmittal. In lieu of any fractional shares of EXXI common stock to which an EPL stockholder would otherwise be entitled, such stockholder will receive cash. No interest will be paid or accrued on any cash amounts received as merger consideration or in lieu of any fractional shares. See The Merger Agreement Exchange Procedures.

**Q: Should I send in my share certificates now?**

A: No. If EXXI and EPL complete the merger, former EPL stockholders will receive written instructions for exchanging their EPL share certificates. EXXI will issue shares of EXXI common stock to former holders of EPL common stock in uncertificated form as a notation on the EXXI shareholders register.

**Q: What will happen to EPL's stock options and restricted stock in the merger?**

A: Immediately prior to the effective time, each outstanding option to purchase shares of EPL common stock will be deemed exercised pursuant to a cashless exercise and be converted into the right to receive all cash, with such cash paid out of the cash portion of the merger consideration, without being subject to proration.

Immediately prior to the effective time, each outstanding share of EPL restricted stock will become fully vested and be treated as a share of EPL common stock for all purposes under the merger agreement, including the right to receive the merger consideration.

**Q: Are EPL stockholders entitled to appraisal rights?**

A: Yes. Under Delaware law, if the merger is completed, in lieu of receiving the merger consideration provided by the merger agreement, holders of record of EPL common stock who do not vote in favor of adopting the merger agreement and who comply with the requirements set forth in Section 262 of the Delaware General Corporation Law (the "DGCL") will have the right to have the fair value of their shares determined by the Delaware Court of Chancery and to receive a cash payment of the amount determined by the Court of Chancery as the fair value, together with interest on that amount from the effective time until such payment is made. Appraisal rights will be available only to holders of EPL common stock who deliver a written demand for appraisal to EPL prior to the special meeting of EPL stockholders to vote on the proposal to adopt the merger agreement and who comply with the other procedures and requirements set forth in Section 262 of the DGCL. These procedures and requirements are summarized beginning on page 200 in this joint proxy statement/prospectus. If the holders of more than 10% of the outstanding shares of EPL common stock demand appraisal, then EXXI is not required to consummate the merger. The fair value amount as determined by the Delaware Court of Chancery could be more than, the same as or less than the amount a stockholder would be entitled to receive under the terms of the merger agreement. A copy of Section 262 of the DGCL is included as Annex E to this joint proxy statement/prospectus. For additional information, see the section titled "Appraisal Rights" beginning on page 200.

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**Q: What happens if I sell my shares of EPL common stock before the EPL special meeting?**

A: The record date for the EPL special meeting is earlier than the date of the EPL special meeting and the date that the merger is expected to be completed. If you transfer your EPL shares after the EPL record date but before the EPL special meeting, you will retain your right to vote at the EPL special meeting, but will have transferred the right to receive the merger consideration in the merger and will lose your appraisal rights. In order to receive the merger consideration, you must hold your shares through the effective time.

**Q: What does it mean if I receive more than one set of materials?**

A: This means you own shares of both EXXI and EPL common stock or you own shares of EXXI or EPL common stock that are registered under different names. For example, you may own some shares directly as a shareholder or stockholder of record and other shares through a bank, broker or other nominee or you may own shares through more than one bank, broker or other nominee. In these situations, you will receive multiple sets of proxy materials. You must complete, sign and return all of the proxy cards or follow the instructions for any alternative voting procedure on each of the voting instruction forms you receive in order to vote all of the shares of EXXI and/or EPL common stock that you own. Each proxy card you receive will come with its own self-addressed, stamped envelope; if you submit your proxy by mail, make sure you return each proxy card in the return envelope that accompanied that proxy card.

**Q: How can I find out more information?**

A: For more information about EXXI and EPL, see the section titled *Where You Can Find More Information* beginning on page 209.

**Q: Who can help answer my questions?**

A: *EXXI Shareholders*: Shareholders who have questions about the merger, the other matters to be voted on at the special meetings, how to submit a proxy or desire additional copies of this joint proxy statement/prospectus or additional proxy cards should contact: Eagle Rock Proxy Advisors LLC, 12 Commerce Drive, Cramford, New Jersey 07016.

*EPL Stockholders*: Stockholders who have questions about the merger, the other matters to be voted on at the special meetings, how to submit a proxy or desire additional copies of this joint proxy statement/prospectus or additional proxy cards should contact: MacKenzie Partners Inc., 105 Madison Avenue, New York, NY 10016.

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**Table of Contents****SUMMARY**

*This summary highlights information contained elsewhere in this joint proxy statement/prospectus and may not contain all the information that is important to you with respect to the merger and the other matters being considered at the EXXI and EPL special meetings. EXXI and EPL urge you to read the remainder of this joint proxy statement/prospectus carefully, including the attached Annexes, and the other documents to which we have referred you. See also the section titled "Where You Can Find More Information" beginning on page 209. We have included page references in this summary to direct you to a more complete description of the topics presented below.*

**The Companies*****Energy XXI (Bermuda) Limited***

EXXI is an independent oil and natural gas exploration and production company with operations focused in the U.S. Gulf Coast and the Gulf of Mexico. EXXI's business strategy includes: (1) acquiring producing oil and gas properties; (2) exploiting and exploring its core assets to enhance production and ultimate recovery of reserves; and (3) utilizing a portion of its capital program to explore the ultra-deep shelf and onshore area for potential oil and gas reserves.

At June 30, 2013, EXXI's total proved reserves were 178.5 MMBOE based on SEC pricing, of which 75% were oil and 61% were classified as proved developed. EXXI operated or had an interest in 463 gross producing wells on 272,262 net developed acres, including interests in 41 producing fields. All of EXXI's properties are primarily located on the U.S. Gulf Coast and in the Gulf of Mexico, with approximately 93% of its proved reserves located offshore. This concentration facilitates EXXI's ability to manage the operated fields efficiently and its high number of wellbore locations provides diversification of its production and reserves. EXXI believes operating its assets is key to its strategy, and approximately 94% of EXXI's proved reserves were on properties it operated. EXXI has a seismic database covering approximately 7,460 square miles, primarily focused on its existing operations. This database has helped EXXI identify approximately 243 drilling opportunities. EXXI believes the mature legacy fields on its acquired properties will lend themselves well to its aggressive exploitation strategy, and EXXI expects to identify incremental exploration opportunities on the properties.

EXXI's common stock is traded on the NASDAQ under the symbol EXXI.

The principal executive offices of EXXI are located at Canon's Court, 22 Victoria Street, PO Box HM 1179, Hamilton HM EX, Bermuda, and EXXI's telephone number is (441) 295-2244. Additional information about EXXI and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information" on page 209.

***EPL Oil & Gas, Inc.***

EPL was incorporated as a Delaware corporation in January 1998 and operates as an independent oil and natural gas exploration and production company based in Houston, Texas and New Orleans, Louisiana. Effective September 1, 2012, EPL changed its legal corporate name from Energy Partners, Ltd. to EPL Oil & Gas, Inc. through a short-form merger pursuant to Section 253 of the General Corporation Law of the State of Delaware. EPL's current operations are concentrated in the U.S. Gulf of Mexico shelf focusing on state and federal waters offshore Louisiana, which it considers to be its core area. EPL has focused on acquiring and developing assets in this region, because the region is characterized by established exploitation, development and exploration opportunities in both productive horizons and deeper geologic formations. EPL's management professionals and technical staff have considerable geological, geophysical and operational experience that is specific to the Gulf of Mexico and Gulf Coast region, and it has

acquired and developed geophysical and geological data relating to these areas.



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As of December 31, 2013, EPL had estimated total proved reserves of 80.4 MMBOE, of which 64% were oil and 71% were proved developed. Of these proved developed reserves, 69% were oil reserves.

EPL's common stock is traded on the NYSE under the symbol EPL.

The principal executive offices of EPL are located at 919 Milam Street, Suite 1600, Houston, Texas 77002 and EPL's telephone number is (713) 228-0711. Additional information about EPL and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information" on page 209.

### ***Energy XXI Gulf Coast, Inc.***

Energy XXI Gulf Coast, Inc. is a Delaware corporation and wholly owned subsidiary of EXXI. OpCo is the primary subsidiary by which EXXI conducts its operations. Following the merger, EPL will be a direct wholly owned subsidiary of OpCo.

### ***Clyde Merger Sub, Inc.***

Clyde Merger Sub, Inc., a wholly owned subsidiary of OpCo, is a Delaware corporation that was formed on March 10, 2014 for the sole purpose of effecting the merger. In the merger, Merger Sub will be merged with and into EPL, with EPL surviving as an indirect wholly owned subsidiary of EXXI.

## **The Meetings**

### ***The EXXI Special Meeting (see page 49)***

The special meeting of EXXI shareholders will be held at Canon's Court, 22 Victoria Street Hamilton HM EX, Bermuda, on May 30, 2014, at 9 a.m., local time. The special meeting of EXXI shareholders is being held to consider and vote on:

a proposal to approve the issuance of shares of EXXI common stock, par value \$0.005 per share, to EPL stockholders in connection with the merger contemplated by the merger agreement, a copy of which is included as Annex A to this joint proxy statement/prospectus; and

the election of Scott A. Griffiths to serve as a class II director on the EXXI board of directors.

Completion of the merger is conditioned on, among other things, approval of the issuance of shares of EXXI common shares to EPL stockholders and the election of Scott A. Griffiths to serve as class II director on the EXXI board of directors.

The record date for the EXXI special meeting is April 21, 2014. Only record holders of shares of EXXI common stock at the close of business on such date are entitled to notice of, and to vote at, the EXXI special meeting or any adjournment or postponement thereof. At the close of business on the record date, the only outstanding voting securities of EXXI were common stock, and 70,340,943 shares of EXXI common stock were issued and outstanding.

Each share of EXXI common stock outstanding on the record date of the EXXI special meeting is entitled to one vote on each proposal and any other matter coming before the EXXI special meeting.

Each of the executive officers and directors and certain other members of management of EXXI have entered into agreements with EPL under which, subject to the terms and conditions of the agreement, each has

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agreed to vote all of the EXXI shares it holds in favor of the issuance of shares of EXXI common stock to EPL stockholders in connection with the merger and for the election of Scott A. Griffiths to serve as a class II director on the EXXI board of directors. As of the date of this document, the executive officers, directors and specified other members of management hold in the aggregate approximately 3.9% of the outstanding shares of EXXI common stock.

No business may be transacted at the EXXI special meeting unless a quorum is present. Shareholders who hold shares representing at least 33 and 1/3% of the voting power of all outstanding shares of capital stock entitled to vote at the EXXI special meeting must be present in person or represented by proxy to constitute a quorum. If a quorum is not present, the EXXI special meeting shall be adjourned to such other day, time and place as the Chairman may determine, provided that at least five clear days notice shall be given for such adjourned meeting. At any adjourned meeting, all proxies will be voted in the same manner as they would have been voted at the original convening of the EXXI special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the adjourned meeting.

***EXXI's Reasons for the Merger; Recommendation of the Board of Directors of EXXI (see page 71)***

After careful consideration, the EXXI board of directors unanimously determined that the merger and the other transactions contemplated by the merger agreement are advisable and in the best interests of EXXI and its shareholders, approved the merger and the merger agreement and recommended to the holders of EXXI common stock (i) the approval of the issuance of EXXI common stock to EPL stockholders in connection with the merger, and (ii) the election of Scott A. Griffiths to serve as class II director on the EXXI board of directors. For more information regarding the factors considered by the EXXI board of directors in reaching its decisions relating to its recommendations, see the section titled "The Merger EXXI's Reasons for the Merger; Recommendation of the EXXI Board of Directors." **Accordingly the EXXI board of directors unanimously recommends that EXXI shareholders vote FOR the proposal to approve the issuance of EXXI common shares to EPL stockholders in connection with the merger and FOR the proposal to elect Scott A. Griffiths to serve as a class II director on the EXXI board of directors.**

***Opinions of EXXI's Financial Advisors (see page 74)***

In connection with the merger, EXXI engaged Credit Suisse Securities (USA) LLC ( "Credit Suisse" ) and Citigroup Global Markets Inc. ( "Citi" ) as its financial advisors in connection with the proposed transaction with EPL.

***Credit Suisse Securities (USA) LLC***

On March 11, 2014, Credit Suisse rendered its oral opinion to the EXXI board of directors (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion addressed to the EXXI board of directors dated the same date) as to, as of March 11, 2014, the fairness, from a financial point of view, to EXXI of the merger consideration to be issued or paid by EXXI in the merger pursuant to the merger agreement. For purposes of Credit Suisse's analyses and opinion, Credit Suisse, with EXXI's agreement, assumed that all outstanding shares of EPL common stock would be converted into the right to receive the mixed election.

**Credit Suisse's opinion was directed to the EXXI board of directors (in its capacity as such), and only addressed the fairness, from a financial point of view, to EXXI of the merger consideration to be issued or paid by EXXI in the merger pursuant to the merger agreement and did not address any other aspect or implication of the merger. The summary of Credit Suisse's opinion in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of its written opinion, which is included as Annex B to this joint proxy statement/prospectus and sets forth the procedures followed, assumptions made, qualifications and limitations**

**on the review undertaken and other matters considered by Credit**

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**Suisse in preparing its opinion. However, neither Credit Suisse's written opinion nor the summary of its opinion and the related analyses set forth in this joint proxy statement/prospectus are intended to be, and they do not constitute, advice or a recommendation to any holder of EXXI common stock as to how such shareholder should vote or act on any matter relating to the merger.**

See The Merger Opinions of EXXI's Financial Advisors Credit Suisse beginning on page 74.

*Citigroup Global Markets Inc.*

Citi also delivered a written opinion, dated March 11, 2014, to the EXXI board of directors as to the fairness, from a financial point of view and as of the date of the opinion, to EXXI of the merger consideration to be paid by EXXI pursuant to the merger agreement. The full text of Citi's written opinion, dated March 11, 2014, which describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached as Annex C to this joint proxy statement/prospectus and is incorporated herein by reference. The description of Citi's opinion set forth below is qualified in its entirety by reference to the full text of Citi's opinion. **Citi's opinion was provided for the information of the EXXI board of directors (in its capacity as such) in connection with its evaluation of the merger consideration from a financial point of view to EXXI and did not address any other terms, aspects or implications of the merger. Citi was not requested to consider, and its opinion did not address, the underlying business decision of EXXI to effect the merger, the relative merits of the merger as compared to any alternative business strategies or opportunities that might exist for EXXI or the effect of any other transaction in which EXXI might engage or consider. Under the terms of its engagement, Citi has acted as an independent contractor, not as an agent or fiduciary. Citi's opinion and analyses are not intended to be and do not constitute a recommendation as to how any shareholder should vote or act on any matters relating to the proposed merger or otherwise.**

See The Merger Opinions of EXXI's Financial Advisors Citi beginning on page 83.

***The EPL Special Meeting (see page 54)***

The special meeting of EPL stockholders will be held at The Four Seasons Hotel, 1300 Lamar St., Houston, Texas on May 30, 2014, at 9:30 a.m., local time. The special meeting of EPL stockholders is being held in order to consider and vote on:

a proposal to adopt the merger agreement, which is further described in the sections titled The Merger and The Merger Agreement, beginning on pages 59 and 133, respectively;

an advisory (non-binding) proposal to approve the compensation that may be paid or become payable to EPL's named executive officers that is based on or otherwise relates to the proposed transactions; and

a proposal to approve the adjournment of the EPL special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the first proposal listed above.

Only record holders of shares of EPL common stock at the close of business on April 21, 2014, the record date for the EPL special meeting, are entitled to notice of, and to vote at, the EPL special meeting or any adjournment or

postponement thereof. At the close of business on the record date, the only outstanding voting securities of EPL were common stock, and 39,206,958 shares of EPL common stock were issued and outstanding. Each of the executive officers and directors of EPL have entered into agreements with EXXI, OpCo and Merger Sub under which, subject to the terms and conditions of the merger agreement, each has agreed to vote all of the EPL shares it holds in favor of the proposal to adopt the merger agreement. As of the date of this document, such parties have voting power with respect to an aggregate of approximately 0.9% of the issued and outstanding shares of EPL common stock entitled to vote at the EPL special meeting.

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With respect to each EPL proposal listed above, EPL stockholders may cast one vote for each share of EPL common stock that they own as of the EPL record date. The proposal to adopt the merger agreement requires the affirmative vote of a majority of the issued and outstanding shares of EPL common stock that are entitled to vote thereon at the EPL special meeting. No business may be transacted at the EPL special meeting unless a quorum is present. If a quorum is not present, or if fewer shares are voted in favor of the proposal to adopt the merger agreement than is required, to allow additional time for obtaining additional proxies, the special meeting will be adjourned to solicit additional proxies in favor of the proposal to adopt the merger agreement. If a quorum is not present, EPL's bylaws permit the Chairman to adjourn the meeting without a stockholder vote. No notice of an adjourned meeting need be given unless the adjournment is for more than 30 days or, if after the adjournment, a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

***EPL's Reasons for the Merger; Recommendation of the Board of Directors of EPL (see page 93)***

After careful consideration, the EPL board of directors unanimously adopted and approved the merger agreement, determined that, on the terms and subject to the conditions set forth in the merger agreement, the merger agreement and the transactions contemplated thereby, including the merger, are advisable, fair to and in the best interests of EPL and its stockholders, and recommended that the merger agreement be adopted by EPL's stockholders. For more information regarding the factors considered by the EPL board of directors in reaching its decision to recommend the approval of the merger agreement, see the section titled "The Merger EPL's Reasons for the Merger; Recommendation of the EPL Board of Directors." **The EPL board of directors unanimously recommends that the EPL stockholders vote FOR the proposal to adopt the merger agreement at the EPL special meeting, FOR the proposal to approve on an advisory (non-binding) basis, the compensation that may be paid or become payable to EPL's named executive officers that is based on or otherwise related to the proposed transactions and FOR the proposal to approve the adjournment of the EPL special meeting, if necessary or appropriate, to permit further solicitation of proxies in favor of the proposal to adopt the merger agreement.**

***Opinion of EPL's Financial Advisor (see page 97)***

EPL's financial advisor, Barclays Capital Inc. ( "Barclays" ), has conducted financial analyses and, on March 11, 2014, delivered its oral opinion to the EPL board of directors, which opinion was subsequently confirmed by delivery of a written opinion dated March 11, 2014, to the effect that, as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the merger consideration to be offered to the stockholders of EPL was fair, from a financial point of view, to such stockholders. The full text of Barclays' opinion, dated as of March 11, 2014, is attached as Annex D to this joint proxy statement/prospectus and is incorporated by reference herein in its entirety. Barclays' written opinion sets forth, among other things, the procedures followed, factors considered, assumptions made and qualifications and limitations upon the review undertaken by Barclays in rendering its opinion. Holders of EPL common stock are encouraged to read the opinion and the description carefully and in their entirety. This summary and the description of the opinion are qualified in their entirety by reference to the full text of the opinion.

**The Merger**

*A copy of the merger agreement is attached as Annex A to this joint proxy statement/prospectus. EXXI and EPL encourage you to read the entire merger agreement carefully because it is the principal document governing the merger. For more information on the merger agreement, see the section titled "The Merger Agreement" beginning on page 133.*





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### ***Effects of the Merger (see page 59)***

The merger agreement provides that, on the terms and subject to the conditions in the merger agreement, at the effective time, Merger Sub will merge with and into EPL. EPL will be the surviving corporation in the merger and will become an indirect wholly owned subsidiary of EXXI.

### ***Merger Consideration (see page 133)***

Upon completion of the merger, each share of EPL common stock issued and outstanding immediately prior to the effective time (excluding shares held by EPL in treasury, any shares held by EXXI, OpCo or Merger Sub and any shares held by any other subsidiary of EXXI or EPL and dissenting shares in accordance with Delaware law) will be converted into the right to receive, at the election of the holder but subject to proration with respect to the stock and cash portion so that approximately 65% of the aggregate merger consideration is paid in cash and approximately 35% is paid in EXXI common stock, one of the following:

1.669 shares of EXXI common stock (which, based on \$23.46, the closing price of shares of EXXI common stock as of April 16, 2014, had a value of \$39.15 on a rounded basis);

\$39.00 in cash without interest; or

0.584 of a share of EXXI common stock (which, based on \$23.46, the closing price of shares of EXXI common stock as of April 16, 2014, had a value of \$13.70 on a rounded basis) and \$25.35 in cash without interest.

The closing price of EPL common stock as of April 16, 2014, 2014 was \$38.78 per share.

See the section titled "The Merger Agreement - Terms of the Merger; Merger Consideration" beginning on page 133.

### ***Election and Proration Procedures***

#### ***Election Forms***

Not less than 30 days prior to the anticipated effective time (the election form mailing date), EPL will mail an election form to each holder of record of EPL common stock (including any restricted shares, and any holders of phantom shares and net exercise shares, but excluding any excluded shares) as of a record date that is five business days prior to the election form mailing date.

#### ***Potential Impact of Proration***

EPL stockholders should be aware that cash elections or stock elections they make may be subject to the proration and adjustment procedures provided in the merger agreement.

#### ***Treatment of Mixed Elections and No Elections***

Each share of EPL common stock with respect to which a mixed election is made will receive \$25.35 per share in cash and 0.584 of a share of EXXI common stock. These shares are not subject to proration.

Shares of EPL common stock with respect to which no election is made are treated as if a mixed election was made for those shares and will have exactly the same treatment as described in the paragraph above.

*Treatment of Excluded Shares and Provisional Dissenters Shares*

Excluded shares will be canceled in the merger for no consideration. Excluded shares are those shares of EPL common stock held by EPL in treasury, any shares held by EXXI, OpCo or Merger Sub and any shares held by any other subsidiary of EXXI or EPL.

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Shares of EPL common stock with respect to which appraisal rights have been properly exercised will not receive any merger consideration. Therefore, no election may be made with respect to those shares. In the event that an EPL stockholder with appraisal shares fails to perfect, withdraws or otherwise loses its right to appraisal, that stockholder's appraisal shares will no longer be appraisal shares and will become no election shares. Any such no election shares will be treated as being subject to a mixed election.

*Treatment of Net Exercise Shares Resulting from the Cashless Exercise of Stock Options*

Holders of stock option net exercise shares may make only a cash election for those shares. However, net exercise shares are treated differently than other shares of EPL common stock for which a cash election has been made. Specifically, each net exercise share will receive \$39.00 per share in cash and will not be subject to the proration and adjustment procedures set forth below.

*Stock Election and Cash Election Shares are Subject to Proration*

Taken as a whole, the shares of EPL common stock outstanding at the effective time (other than excluded shares) will be converted into a total amount of merger consideration that consists of approximately 65% in cash and approximately 35% in shares of EXXI common stock (valuing the EXXI common stock at a fixed price of \$23.37 per share).

*Proration Adjustment if Cash Election is Oversubscribed*

Shares of EXXI common stock may be issued to EPL stockholders who make cash elections if the cash elections are oversubscribed. Cash elections are oversubscribed if the EPL stockholders elect to receive more cash at \$39.00 per share than remains after:

\$25.35 per share is allocated to each mixed election share;

\$39.00 per share is allocated to each net exercise share; and

\$39.00 per share is set aside for each share for which an EPL stockholder has perfect appraisal rights. If an oversubscription occurs, then those stockholders electing to receive only cash will be prorated and will receive a portion of their merger consideration in the form of EXXI common stock. In that event, each EPL stockholder will receive for each cash election share (other than a net exercise share, which does not count as a cash election share for proration purposes):

cash equal to (i) the amount of cash remaining after deducting the cash allocated for mixed election shares, net exercise shares and appraisal shares, divided by (ii) the number of cash election shares; and

a number of shares of EXXI common stock (valued at \$23.37 per share) equal to (i) \$39.00 minus (ii) the prorated cash amount described above.

*Proration Adjustment if Stock Consideration is Oversubscribed*

Cash may be issued to EPL stockholders who make stock elections if the stock election is oversubscribed.

Shares of EXXI common stock may be issued to EPL stockholders who make cash elections if the cash elections are oversubscribed. Stock elections are oversubscribed if the EPL stockholders elect to receive more stock at 1.669 shares of EXXI common stock per EPL common share than remains after 0.584 shares of EXXI common stock are allocated to each mixed election share.

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If that occurs, then those stockholders electing to receive only stock will be prorated and will receive a portion of their merger consideration in the form of cash. In that event, each EPL stockholder will receive for each stock election share:

a number of shares of EXXI common stock equal to (i) the number of shares of EXXI common stock to be issued as merger consideration remaining after deducting the EXXI common shares to be issued upon conversion of mixed election shares, divided by (ii) the number of stock election shares; and

an amount of cash equal to (i) \$39.00 minus (ii) the value of the prorated share amount described above (valuing those shares at \$23.37 per EXXI common share).

The greater the oversubscription of the stock election, the less stock and more cash an EPL stockholder making the stock election will receive. Reciprocally, the greater the oversubscription of the cash election, the less cash and more stock an EPL stockholder making the cash election will receive. However, in no event will an EPL stockholder who makes the cash election receive less cash and more shares of EXXI common stock than a stockholder who makes the mixed election. Furthermore, in no event will an EPL stockholder who makes the stock election receive fewer shares of EXXI common stock and more cash than a stockholder who makes the mixed election.

For additional detail and an illustrative example, see *The Merger EPL Stockholders Making Elections* and *The Merger Exchange of Shares* and *Appraisal Rights* beginning on pages 126, 130 and 200, respectively, of this joint proxy statement/prospectus.

EXXI will not issue any fractional shares of EXXI common stock in the merger. Instead, a stockholder of EPL who otherwise would have received a fractional share of EXXI common stock will be entitled to receive, from the exchange agent appointed by EXXI pursuant to the merger agreement, a cash payment in lieu of such fractional shares representing such holder's proportionate interest in the proceeds from the sale by the exchange agent of the number of excess shares of EXXI common stock represented by the aggregate amount of fractional shares of EXXI common stock.

Because the merger consideration, including the exchange ratio used to calculate the stock portion of the merger consideration, was fixed at the time the merger agreement was executed and because the market value of EXXI common stock and the EPL common stock will fluctuate during the pendency of the transactions, EPL stockholders cannot be sure of the value of the merger consideration they elect to receive relative to the value of the shares of EPL common stock that they are exchanging. For example, for EPL stockholders receiving EXXI common stock as part of the merger consideration, decreases in the market value of EXXI common stock will negatively affect the value of the merger consideration that EPL stockholders receive, and increases in the market value of EPL common stock may mean that the merger consideration that EPL stockholders receive will be worth less than the market value of the shares of EPL common stock such stockholders are exchanging. See *Risk Factors Risk Factors Relating to the Merger* Because the merger consideration is fixed and because the market price of EXXI common stock and EPL common stock will fluctuate, EPL stockholders receiving EXXI common stock as part of the merger consideration cannot be sure of the market value of such merger consideration relative to the value of their shares of EPL common stock that they are exchanging beginning on page 37. EPL stockholders are urged to obtain current market quotations for EXXI common stock when they make their elections.

***Treatment of EPL Stock Options and Other Equity-Based Awards (see page 124)***

*Restricted Shares and Phantom Shares.* At or immediately prior to the effective time, each outstanding restricted share of EPL common stock will become fully vested and treated as a share of EPL common stock for all purposes of the merger agreement, including the right to receive the merger consideration and each outstanding phantom share of EPL common stock will become fully vested and converted into the right to

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receive the applicable merger consideration, and such merger consideration will be held within EPL's deferral plan for non-employee directors and subject to such plan.

*Stock Options.* At or immediately prior to the effective time, each outstanding option for the purchase of EPL common stock issued pursuant to any EPL stock plan outstanding (whether or not then vested or exercisable), by virtue of the occurrence of the closing of the merger and without any action on the part of any holder of any EPL stock option, will be deemed exercised pursuant to a cashless exercise for that number of shares of EPL common stock equal to (i) the number of shares of EPL common stock subject to such EPL stock option immediately prior to the effective time minus (ii) the number of whole and partial shares of EPL common stock subject to such EPL stock option that, when multiplied by \$39.00 per share, is equal to the aggregate exercise price of such EPL stock option. Each such share will be deemed to be an outstanding share of EPL common stock for purposes of electing the form of consideration and for purposes of proration of merger consideration; provided, however, that only a cash election may be made in respect of such share.

See the section titled "The Merger Agreement Treatment of EPL Stock Options and Other Equity-Based Awards."

### ***Expected Timing of the Merger***

EXXI and EPL currently expect the closing of the merger to occur on or about June 3, 2014. However, the merger is subject to the satisfaction or waiver of conditions as described in the merger agreement, and it is possible that factors outside the control of EXXI and EPL could result in the merger being completed at an earlier time, a later time or not at all. See the section titled "The Merger Agreement Completion of the Merger" for a discussion of the closing of the merger.

### ***Conditions to Completion of the Merger (see page 152)***

The obligations of EPL, EXXI, OpCo and Merger Sub to consummate the merger are subject to the satisfaction or waiver of the following conditions on or prior to the closing date, any or all of which may be waived jointly by the parties to the merger agreement, in whole or in part, to the extent permitted by applicable law:

the adoption of the merger agreement by the affirmative vote of holders of a majority of the outstanding shares of EPL common stock;

the approval, by a majority of the votes cast at a duly called meeting of the shareholders of EXXI at which a quorum is present, of (i) the issuance of EXXI common stock to EPL stockholders in connection with the merger and (ii) the election of Scott A. Griffiths to serve as class II director on the EXXI board of directors;

the expiration of any waiting periods or the receipt of any consent required to be obtained for the consummation of the merger and the other transactions contemplated by the merger agreement under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (on April 4, 2014, EXXI and EPL were notified by U.S. antitrust authorities that the Hart-Scott-Rodino waiting period had expired);

the absence of any order restraining, enjoining or otherwise prohibiting the consummation of the merger and no law making the consummation of the merger illegal or otherwise prohibited;

the effectiveness of the registration statement on Form S-4 of which this joint proxy statement/prospectus forms a part and the absence of any stop order or proceedings pending before the SEC for that purpose; and

authorization for the listing on the NASDAQ Global Select Market of the shares of EXXI common stock to be issued in the merger.



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In addition, the obligations of EXXI and Merger Sub to consummate the merger are further subject to the satisfaction or waiver of the following conditions at the closing date:

each of the representations and warranties of EPL set forth in the merger agreement being true and correct as of the date of the merger agreement and as of the closing date as though made on and as of the closing date, unless otherwise specified, except for (i) such failures to be true and correct (without regard to qualification or exceptions contained therein as to materiality or material adverse effect) that has not had and could not be reasonably expected to have, individually or in the aggregate, a material adverse effect; provided, however, that the foregoing clause (i) does not apply to EPL's representations and warranties regarding (A) organization, standing and power, (B) information supplied, (C) absence of certain changes since December 31, 2013, (D) brokers, (E) anti-takeover statutes and certificate restrictions and (F) related party transactions; and (ii) failures to be true and correct in respect of the representations and warranties contained regarding EPL's capital structure that would result in the payment of not more than \$1,000,000 of additional merger consideration and equity award consideration in the aggregate;

EPL having performed or complied with, in all material respects, all obligations required to be performed or complied with by it under the merger agreement;

absence of any event, change or development after the date of the merger agreement that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect;

absence of any proceeding by any governmental authority in which such governmental authority is (i) challenging or seeking to make illegal, to delay materially or otherwise restrain or prohibit the consummation of the transaction, (ii) seeking to prohibit or limit in any material respect EXXI's ability to vote, receive dividends with respect to or otherwise exercise ownership rights with respect to EPL capital stock, or (iii) seeking to compel EPL, EXXI or any of their subsidiaries to dispose of or hold separate any material assets as a result of any of the transactions contemplated by the merger agreement;

the aggregate number of shares of EPL common stock properly demanding appraisal not exceeding 10% of the shares of EPL common stock outstanding as of the record date for the EPL stockholders meeting;

the receipt of EPL's certified verification that its EBITDAX for the four consecutive fiscal quarter periods ending prior to the closing date for which information is available not being less than 70% of EPL's EBITDAX for the year ended December 31, 2013, and EPL having furnished EXXI with a certificate dated the closing date, signed on its behalf by its chief executive officer or chief financial officer, certifying that this condition has been satisfied and setting forth EPL's calculation of EPL's EBITDAX, which calculation will be presented in the form of Exhibit C to the merger agreement; and

the receipt of a certificate executed by EPL's chief executive officer or chief financial officer as to the satisfaction of the conditions described above.

In addition, the obligation of EPL to consummate the merger is subject to the satisfaction or waiver of the following conditions at the closing date:

each of the representations and warranties of EXXI, OpCo and Merger Sub set forth in the merger agreement being true and correct as of the date of the merger agreement and as of the closing date as though made on and as of the closing date, unless otherwise specified, except for such failures to be true and correct (without regard to qualification or exceptions contained therein as to materiality or material adverse effect) that have not had and could not be reasonably expected to have, individually or in the aggregate, a material adverse effect;

EXXI and Merger Sub each having performed or complied with, in all material respects, all obligations required to be performed by it under the merger agreement;

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absence of any event, change or development after the date of the merger agreement that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect; and

the receipt of a certificate executed by EXXI's chief executive officer or chief financial officer as to the satisfaction of the conditions described above.

### ***No Solicitation of Competing Proposals (see page 141)***

The merger agreement precludes EPL from soliciting or engaging in discussions or negotiations with respect to a competing proposal regarding an alternative transaction. However, if EPL receives an unsolicited competing proposal from a third party, and EPL's board of directors, as applicable, among other things, reasonably determines in good faith (after consultation with its outside legal counsel and independent financial advisors) that such competing proposal is, or is reasonably likely to lead to, a superior proposal to the merger and EPL's board of directors determines in good faith that the failure to take such action would be inconsistent with its fiduciary duties under applicable law, EPL may furnish non-public information to and enter into discussions with that third party regarding such competing proposal. See the section titled "The Merger Agreement - No Solicitation of Competing Proposals" for a discussion of these and related rights of EPL to terminate the merger agreement.

### ***Termination of the Merger Agreement (see page 154)***

EXXI and EPL may mutually agree to terminate the merger agreement at any time, whether before or after the receipt of the required shareholder approvals. Additionally, either EXXI or EPL can terminate the merger agreement if (a) there is a permanent injunction or adoption of any law that prohibits the merger, (b) EXXI's shareholders do not approve the proposal to issue shares of EXXI common stock as part of the merger consideration or the election of Scott A. Griffiths to serve as a class II director on the EXXI board of directors, (c) EPL's stockholders do not approve the proposal to adopt the merger agreement, (d) the merger is not consummated by August 1, 2014, subject to certain exceptions or extensions or (e) the other party has breached the merger agreement and such breach would cause the conditions to the closing of the merger not to be satisfied. EXXI may also terminate the merger agreement if EPL's board changes its recommendation to the EPL stockholders. EPL may terminate the merger agreement (i) if EXXI's board changes its recommendation to the EXXI shareholders or (ii) prior to the EPL special meeting, in order to enter into an agreement with respect to a superior proposal (and EPL concurrently pays the termination fee to EXXI). See the section titled "The Merger Agreement - Termination of the Merger Agreement" for a discussion of these and other rights of each of EXXI and EPL to terminate the merger agreement.

### ***Effect of Termination of the Merger Agreement (see page 155)***

If the merger agreement is terminated by any party in accordance with its terms, the merger agreement will become void, and there will be no liability or obligation on the part of any party to the merger agreement, except with respect to: EXXI's unauthorized use of information for purposes unrelated to the transactions under the merger agreement; (ii) any applicable termination fees; and (iii) the general provisions of the merger agreement; provided, however, that such termination will not relieve any party from liability for any damages of the parties to the merger agreement for a willful and material breach under the merger agreement.

### ***Termination Fees and Expenses (see page 155)***

Generally, all fees and expenses incurred in connection with the merger agreement and the transactions contemplated by the merger agreement will be paid by the party incurring those expenses, whether or not the merger is completed. However, in certain circumstances a party may be required to pay the other party a termination fee of \$45 million or a

party may be required to reimburse the other party for its reasonable expenses up to \$6 million. See the section titled "The Merger Agreement - Termination Fees and Expenses" for a discussion of the circumstances under which such termination fee or expense reimbursement will be required to be paid.

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***Comparison of Shareholder Rights and Corporate Governance Matters (see page 184)***

EXXI is a Bermuda exempted company, and EPL is a Delaware corporation. EPL stockholders receiving merger consideration will have different rights once they become shareholders of EXXI due to (a) differences between the governing corporate documents of EPL and the governing