

HERO Liquidating Trust
EIN 81-4467448
Important U.S. Tax Information for the HERO Liquidating Trust Beneficiaries
and Lender Wind Down Claimholders

This notice provides 2018 tax information for holders (“Beneficiaries”) of Wind Down Entity Interests (each, a “Unit”) and holders of the Lender Wind Down Claim (“Lender Wind Down Claimholders”) of the HERO Liquidating Trust (“HERO Trust”) that are U.S. persons (within the meaning of Section 7701(a)(30) of the Internal Revenue Code) to determine their share of income, deductions, distributions and gain or loss attributable to their holdings in the HERO Trust. Each Beneficiary and Lender Wind Down Claimholder is encouraged to read the entire notice carefully. Because the tax rules are complex and dependent on the individual Beneficiary’s and Lender Wind Down Claimholder’s facts and circumstances, Beneficiaries and Lender Wind Down Claimholders should consult their tax advisors regarding the consequences of owning Units or Lender Wind Down Claim interests of the HERO Trust. The following summary of certain US federal income tax rules is for informational purposes only.

This notice supplements and replaces tax information previously provided on April 23, 2019.

Note that for 2018 none of the items of income, deductions, or credits of the HERO Trust should be reportable in respect of any holder’s Lender Wind Down Claim. Nevertheless, as certain Beneficiaries and Lender Wind Down Claimholders may have U.S. international information reporting requirements, supplemental tax information is being provided to all holders of HERO Trust interests. As the supplemental tax information is being provided for the period 01/01/2018 to 12/31/2018, Lender Wind Down Claimholders who acquired, or disposed of, a Lender Wind Down Claim during the year should contact Kristine Moore at kmoore@herculesoffshore.com should they require additional tax information.

For the tax year-ended 2018, all claims held by the Lender Wind Down Claimholders were redeemed and debt held has been fully paid. Due to the redemption, Wind-Down Entity Interests in the HERO Liquidating Trust have concluded as of 12/31/2018.

The material herein is for general information and is not intended and should not be construed as professional tax or legal advice. Beneficiaries and Lender Wind Down Claimholders should consult their own advisors regarding all tax compliance matters relating to the information presented in this notice.

Grantor Trust Treatment

The HERO Trust is intended to qualify as a “liquidating trust” for U.S. federal income tax purposes. In general, a liquidating trust is not a separate taxable entity, but rather is treated for U.S. federal income tax purposes as a “grantor trust” (i.e., a pass-through type entity). However, no ruling has been requested from the Internal Revenue Service (“IRS”) and no opinion of counsel has been requested concerning the status of the HERO Trust as a grantor trust. Accordingly, there can be no assurance that the IRS would not take a contrary position.

Pursuant to the Wind Down Entity and Distribution Agreement dated December 2, 2016 by and among Hercules Offshore, Inc. (“Hercules”) and the direct and indirect subsidiaries of Hercules party thereto (collectively “Hercules and Subsidiaries”), the Managing Trustee named therein and Wilmington Savings Fund Society, FSB, d/b/a Christiana Trust, as Delaware Trustee (the “Trust Agreement”) and the Debtor’s Modified Joint Prepackaged Chapter 11 Plan (Incorporating Mediation Settlement) dated October 18, 2016 (“the Plan”) of Hercules and certain of its affiliates, which was confirmed pursuant to an order of the United States Bankruptcy Court for the District of Delaware entered on November 15, 2016 [Docket No. 486], it is intended that the Beneficiaries and Lender Wind Down Claimholders be treated as if they received the distribution of an undivided interest in each of the HERO Trust’s assets in a taxable transaction in satisfaction of their claims against the Debtor’s under the Plan and then immediately contributed such interests to the HERO Trust. Taxable income or loss allocated to each HERO Trust interest holder will be treated as income or loss with respect to such HERO Trust interest holder’s undivided interest in the HERO Trust assets, and not as income or loss with respect to its prior allowed claim.

The U.S. federal income tax obligations of a holder with respect to its HERO Trust interest are not dependent on the HERO Trust distributing any cash or other proceeds. In general, other than in respect of cash retained on account of a disputed ownership fund (“DOF”), a distribution of cash by the HERO Trust will not be separately taxable to a HERO Trust interest holder since such holder is already regarded for U.S. federal income tax purposes as owning the underlying assets. A DOF, however, will be subject to tax annually on a separate entity basis on any net income earned with respect to its assets, and all distributions from such DOF (which distributions will be net of the related expenses of the DOF) should be treated for U.S. federal income tax

This document does not provide legal or tax advice. Beneficiaries are urged to consult with their tax advisors as to the consequences of the establishment and operation of the HERO Liquidating Trust.

purposes as additional consideration received by holders in respect of their allowed claims and stock as if distributed by the Debtors and not as earnings of the HERO Trust.

Considerations for U.S. Federal Income Tax Purposes

Because the HERO Trust is a pass-through type entity, in general, each Beneficiary and Lender Wind Down Claimholder must report its allocable share of the HERO Trust's 2018 taxable income, expense, distributions and certain other items ("the Tax items"). Information for this purpose has been provided in the attached statement *Trustee's Separate Statement of Income, Deductions, and Credits Reportable by Trust Interest Holders* for the period January 1, 2018 through December 31, 2018. This statement is also available for the aggregate of all interests in HERO Trust on the website : <https://cases.primeclerk.com/herculesinfo>.

Each Beneficiary and Lender Wind Down Claimholder may use this information to report their share of each type of HERO Trust income and expense for the 2018 taxable year. Please note that for 2018, all items of income, deductions, or credits are allocable solely to the Beneficiaries.

The HERO Trust is not required to make any individual distribution that is less than \$50 to a Beneficiary reflected in its Register. Any amount not distributed to a Beneficiary because of this limitation shall become an asset of HERO Trust available for funding the next distribution, again subject to this limitation. As at December 31, 2018, HERO Trust does not anticipate having sufficient assets to distribute at least \$50 to any Beneficiary reflected in its Register that holds 15 or fewer Units; consequently, for the period January 1, 2018 through December 31, 2018, no items of HERO Trust's income, deductions, or credits are allocable to such Beneficiaries. Please note that if you hold your Units in HERO Trust in "street name" through accounts of Depository Trust Company ("DTC") participants, this statement does not apply to you. As 156 of the 19,988,897 Hero Trust Units outstanding are held by Beneficiaries reflected in the Register holding 15 or fewer Units, other Beneficiaries should determine their relative share of tax items without regard to these Units. A Beneficiary's share of the items of income, deductions, and credits can be determined by multiplying the amount of such item by a fraction equal to the number of Units held by such Beneficiary divided by 19,988,741.

As Beneficiaries and Lender Wind Down Claimholders may have U.S. international information reporting requirements, supplemental tax information is also being provided. Please note that the amounts reported on the supplemental tax information statements represent the undivided interests of all holders of interests in HERO Trust. To properly determine the tax treatment of each Tax item (including its character, treatment and applicable elections), and their tax information reporting requirements, Beneficiaries and Lender Wind Down Claimholders should consult their tax advisors.

During 2018 distributions of \$24,999,833 were made by the HERO Trust to the Beneficiaries and \$63,326,604 were made to the Lender Wind Down Claimholders. No distributions were made by the DOF. In general, distributions by the HERO Trust, when made, will not be taxable events to a Beneficiary or Lender Wind Down Claimholder. However, any distributions from a DOF to a Beneficiary or Lender Wind Down Claimholder should be treated for U.S. federal income tax purposes as additional consideration received by the Beneficiary or Lender Wind Down Claimholder in respect of their allowed claims as if distributed by the Debtors and not as earnings of the HERO Trust. Thus, a Beneficiary or Lender Wind Down Claimholder must be careful to differentiate between the tax treatment of distributions from the DOFs and the tax treatment of distributions out of assets of the HERO Trust to which the Beneficiary or Lender Wind Down Claimholder is already considered the direct owner for U.S. federal income tax purposes.

Foreign Persons

Beneficiaries and Lender Wind Down Claimholders that are not U.S. persons (within the meaning of Section 7701(a)(30) of the Internal Revenue Code) ("Foreign Taxpayers") are subject to special tax rules with respect to their interests in HERO Trust. Due to the complexity of these rules, it is recommended that such Foreign Taxpayers consult their tax advisors regarding their individual income tax circumstances with respect to their interests in HERO Trust

Reporting with Respect to Hero Trust's Foreign Business Activities

During 2018, HERO Trust conducted business activities outside the United States of America, including business activities in certain boycott countries. As certain Beneficiaries and Lender Wind Down Claimholders may have U.S. international information reporting requirements, supplemental tax information is also being provided. Due to the complexity of the U.S. international tax reporting rules, HERO Trust Beneficiaries and Lender Wind Down Claimholders should consult their tax advisors regarding their individual income tax reporting requirements.

This document does not provide legal or tax advice. Beneficiaries are urged to consult with their tax advisors as to the consequences of the establishment and operation of the HERO Liquidating Trust.

While there should not be foreign tax reporting or payment obligations for U.S. persons holding Units or Lender Wind Down Claims, Beneficiaries and Lender Wind Down Claimholders should consult their tax advisors as to whether, based on their particular circumstances, they have foreign tax reporting and payment obligations

State and Local Tax

Holders of HERO Trust interests may be required to file state and local income tax returns and may be liable for state income tax as a result of their ownership of HERO Trust interests. Holders of HERO Trust interests will need the foregoing information as well as amounts reported in the *Trustee's Separate Statement of Income, Deductions, and Credits Reportable by Trust Interest Holders* and the supplemental tax information to comply with the state income tax filing requirements in the applicable states. The laws pertaining to income tax in any given state may vary from those of another state and from those applicable to federal income tax. HERO Trust interest holders should consult their tax advisors regarding their responsibility for reporting and payment of state and local tax.

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P.O. Box 6809, Houston TX 77265
Trustee's Separate Statement of Income, Deductions, and Credits Reportable by Trust Interest Holders

Tax Information for the Period of 01/01/2018 to 12/31/2018
Total Units: 19,988,741

| Items of Taxable Income (Loss) Reported by Branch | Abu Dhabi | Cayman | Gibraltar | Kuwait | Malaysia | Nigeria | Qatar | Saudi Arabia | UK | Other Foreign | United States | Total |
|--|------------------|---------------|------------------|---------------|-----------------|----------------|--------------|---------------------|-------------|----------------------|----------------------|--------------|
| Ordinary Business Income (Loss) | | | | | | | | | | | | |
| Operating Revenue | - | - | - | - | - | 1,553,789 | - | - | - | - | - | 1,553,789 |
| Labor | - | - | - | - | - | (1,520,399) | - | (291,482) | - | (124) | (60,350) | (1,872,355) |
| Repairs, Maintenance & Supplies | - | (4,191) | - | - | - | (125,113) | - | - | - | - | - | (129,304) |
| Rental Fees | - | - | - | - | - | (1,341) | - | - | - | - | (116,000) | (117,341) |
| Rig & Liftboat Insurance | - | - | - | - | - | - | - | - | - | - | (64,963) | (64,963) |
| Communications | - | 494 | - | - | - | 9,963 | - | (16,382) | - | - | (37,157) | (43,082) |
| Travel | - | - | - | - | - | (25,628) | - | (18,838) | - | (13,601) | (122,336) | (180,403) |
| Other Operating Expense | - | (43,560) | - | - | - | (682,474) | - | (1,274,341) | (193,145) | (1,281) | 432,013 | (1,762,788) |
| Cost of Goods Sold | - | (47,257) | - | - | - | (2,344,992) | - | (1,601,043) | (193,145) | (15,006) | 31,207 | (4,170,236) |
| Labor | - | - | - | - | - | (249,811) | - | (33,261) | - | - | (4,328,997) | (4,612,069) |
| Professional Fees | - | (53,691) | - | - | - | (1,288,696) | - | (229,155) | - | - | (793,440) | (2,364,982) |
| Other General and Administrative Expense | - | 2,655 | - | - | - | (274,867) | - | (26,016) | 42,835 | - | (2,117,393) | (2,372,786) |
| General and Administrative Expense | - | (51,036) | - | - | - | (1,813,374) | - | (288,432) | 42,835 | - | (7,239,830) | (9,349,837) |
| Depreciation & Amortization | - | (242,126) | - | - | - | (46,119) | - | - | (15,333) | - | (92,862) | (396,440) |
| Other Income/(Expense), Net | - | 781,940 | - | - | - | (1,205,539) | - | (11,901) | (22,546) | - | 1,101,710 | 643,664 |
| Total Ordinary Income (Loss) | - | 441,521 | - | - | - | (3,856,255) | - | (1,901,376) | (188,189) | (15,006) | (6,199,775) | (11,719,060) |
| Interest Income | - | 11,413 | - | - | - | 2,761 | - | - | - | - | 516,987 | 531,161 |
| Section 1245 Gain / (Loss) | | | | | | | | | | | | |
| Proceeds | - | 17,143,443 | - | - | - | 965,720 | - | - | 919,698 | - | 1,913,756 | 20,942,617 |
| Adjusted Basis | - | (12,187,012) | - | - | - | (2,321,347) | - | - | (1,990,046) | - | (4,674,077) | (21,172,482) |
| Net Gain / (Loss) | - | 4,956,431 | - | - | - | (1,355,627) | - | - | (1,070,348) | - | (2,760,321) | (229,865) |
| Other Information | | | | | | | | | | | | |
| Alternative Minimum Tax Items (AMT) | | | | | | | | | | | | |
| Post 1986 Depreciation Adjustment | - | - | - | - | - | - | - | - | - | - | - | - |
| Adjusted Gain or Loss | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Alternative Minimum Tax | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Trust Distributions | | | | | | | | | | | | 88,326,437 |
| Beneficiary Distributions | | | | | | | | | | | | 24,999,833 |
| Wind Down Claimholders Distributions | | | | | | | | | | | | 63,326,604 |

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Supplemental Tax Information - Property, Plant, And Equipment
Tax Information for the Period of 01/01/2018 to 12/31/2018

| Asset | In Service Date | Dispose Date | Cost | Recovery Period | Convention | Method | CY Depreciation | Disposed in CY |
|-------------------------------------|-----------------|--------------|------------------|-----------------|------------|--------|-----------------|----------------|
| Gemfish | 12/3/2016 | 2/8/2018 | \$ 74,822.00 | 7.5 Year | MQ | S/L | (1,247.00) | X |
| Bonefish | 12/3/2016 | 2/8/2018 | \$ 74,822.00 | 7.5 Year | MQ | S/L | (1,247.00) | X |
| Tapertail | 12/3/2016 | 2/8/2018 | \$ 74,822.00 | 7.5 Year | MQ | S/L | (1,247.00) | X |
| Triggerfish | 12/3/2016 | 2/8/2018 | \$ 573,636.00 | 7.5 Year | MQ | S/L | (9,561.00) | X |
| Solefish | 12/3/2016 | 2/8/2018 | \$ 573,636.00 | 7.5 Year | MQ | S/L | (9,561.00) | X |
| Bluefish | 12/3/2016 | 2/8/2018 | \$ 1,395,431.00 | 7.5 Year | MQ | S/L | (23,257.00) | X |
| Blue Shark | 12/3/2016 | 2/8/2018 | \$ 3,711,173.00 | 7.5 Year | MQ | S/L | (61,853.00) | X |
| Black Jack | 12/3/2016 | 2/8/2018 | \$ 3,711,173.00 | 7.5 Year | MQ | S/L | (61,853.00) | X |
| Bull Ray | 12/3/2016 | 1/12/2018 | \$ 6,846,217.00 | 7.5 Year | MQ | S/L | (114,104.00) | X |
| All Vessels - Nigeria | 12/3/2016 | 2/8/2018 | \$ 259,002.00 | 7.5 Year | MQ | S/L | (4,317.00) | X |
| Aberdeen Office | 12/3/2016 | 3/1/2018 | \$ 920,000.00 | 7.5 Year | MQ | S/L | (15,333.00) | X |
| Aberdeen Office (Land) | 12/3/2016 | 3/1/2018 | \$ 1,218,268.00 | N/A | N/A | N/A | - | X |
| Tiger Shark | 12/3/2016 | 2/8/2018 | \$ 2,207,250.00 | 7.5 Year | MQ | S/L | (36,788.00) | X |
| Scamp | 12/3/2016 | 2/8/2018 | \$ 573,636.00 | 7.5 Year | MQ | S/L | (9,561.00) | X |
| Rudderfish | 12/3/2016 | 2/8/2018 | \$ 1,395,431.00 | 7.5 Year | MQ | S/L | (23,257.00) | X |
| Pilotfish | 12/3/2016 | 2/8/2018 | \$ 1,395,431.00 | 7.5 Year | MQ | S/L | (23,254.00) | X |
| Total Assets of Trust at 12/31/2017 | | | \$ 25,004,750.00 | | | | \$ (396,440.00) | |
| Less Assets Disposed in 2018 | | | (25,004,750.00) | | | | | |
| Total Assets of Trust at 12/31/2018 | | | - | | | | | |

At the end of 2018, the net assets of the company were approximately \$18,784,374, of which \$ or 0.00% were allocated to the Lender Wind Down Claim Holders and \$18,784,374 or 100.00% were allocated to the Beneficiaries. For the purposes of determining the allocable share of certain assets for informational reporting purposes, the Lender Wind Down Claimholders should determine their share of the total Lender Wind Down Claims by calculating their relative claim percentage (taking their Claim and dividing by the Total Lender Wind Down Claims) and multiplying by the percentage of net assets allocated to Lender Wind Down Claimholders in total. Beneficiaries should determine their allocable share by calculating their relative Beneficiary unit ownership percentage (taking their units divided by the total units of 19,988,741) and multiplying by the net assets allocated to the Beneficiaries in total.

Beneficiaries should determine their allocable share of depreciation by calculating their relative Beneficiary unit ownership percentage (taking their units divided by the total units of 19,988,741).

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Supplemental Tax Information - Property, Plant, And Equipment - Asset Disposals
Tax Information for the Period of 01/01/2018 to 12/31/2018

| Asset | In Service Date | Dispose Date | Proceeds/ (Other Costs) | Tax Costs | Tax Accumulated Depreciation | Tax Basis | Tax Gain/ (Loss) |
|-------------------------------------|-----------------|--------------|-------------------------|------------------|---------------------------------|------------------|------------------|
| Gemfish | 12/3/2016 | 2/8/2018 | \$ 25,700.00 | 74,822.00 | 12,055.00 | 62,767.00 | (37,067.00) |
| Bonefish | 12/3/2016 | 2/8/2018 | \$ 25,700.00 | 74,822.00 | 12,055.00 | 62,767.00 | (37,067.00) |
| Tapertail | 12/3/2016 | 2/8/2018 | \$ 25,700.00 | 74,822.00 | 12,055.00 | 62,767.00 | (37,067.00) |
| Triggerfish | 12/3/2016 | 2/8/2018 | \$ 197,030.00 | 573,636.00 | 92,419.00 | 481,217.00 | (284,187.00) |
| Solefish | 12/3/2016 | 2/8/2018 | \$ 197,030.00 | 573,636.00 | 92,419.00 | 481,217.00 | (284,187.00) |
| Bluefish | 12/3/2016 | 2/8/2018 | \$ 479,296.00 | 1,395,431.00 | 224,819.00 | 1,170,612.00 | (691,316.00) |
| Blue Shark | 12/3/2016 | 2/8/2018 | \$ 1,274,695.00 | 3,711,173.00 | 597,911.00 | 3,113,262.00 | (1,838,567.00) |
| Black Jack | 12/3/2016 | 2/8/2018 | \$ 1,274,695.00 | 3,711,173.00 | 597,911.00 | 3,113,262.00 | (1,838,567.00) |
| Bull Ray | 12/3/2016 | 1/12/2018 | \$ 14,507,652.00 | 6,846,217.00 | 1,103,002.00 | 5,743,215.00 | 8,764,437.00 |
| All Vessels - Nigeria | 12/3/2016 | 2/8/2018 | \$ 86,400.00 | 259,002.00 | 41,728.00 | 217,274.00 | (130,874.00) |
| Aberdeen Office | 12/3/2016 | 3/1/2018 | \$ 459,849.00 | 920,000.00 | 148,222.00 | 771,778.00 | (311,929.00) |
| Aberdeen Office (Land) | 12/3/2016 | 3/1/2018 | \$ 459,849.00 | 1,218,268.00 | - | 1,218,268.00 | (758,419.00) |
| Tiger Shark | 12/3/2016 | 2/8/2018 | \$ 758,135.00 | 2,207,250.00 | 355,613.00 | 1,851,637.00 | (1,093,502.00) |
| Scamp | 12/3/2016 | 2/8/2018 | \$ 197,030.00 | 573,636.00 | 92,419.00 | 481,217.00 | (284,187.00) |
| Rudderfish | 12/3/2016 | 2/8/2018 | \$ 479,296.00 | 1,395,431.00 | 224,819.00 | 1,170,612.00 | (691,316.00) |
| Pilotfish | 12/3/2016 | 2/8/2018 | \$ 479,296.00 | 1,395,431.00 | 224,819.00 | 1,170,612.00 | (691,316.00) |
| Other Immat. | 12/3/2016 | 3/1/2018 | \$ 15,264.00 | - | 2.00 | (2.00) | 15,266.00 |
| Total Assets of Trust at 12/31/2017 | | | \$ 20,942,617.00 | \$ 25,004,750.00 | \$ 3,832,268.00 | \$ 21,172,482.00 | \$ (229,865.00) |

At the end of 2018, the net assets of the company were approximately \$18,784,374, of which \$ or 0.00% were allocated to the Lender Wind Down Claim Holders and \$18,784,374 or 100.00% were allocated to the Beneficiaries. For the purposes of determining the allocable share of certain assets for informational reporting purposes, the Lender Wind Down Claimholders should determine their share of the total Lender Wind Down Claims by calculating their relative claim percentage (taking their Claim and dividing by the Total Lender Wind Down Claims) and multiplying by the percentage of net assets allocated to Lender Wind Down Claimholders in total. Beneficiaries should determine their allocable share by calculating their relative Beneficiary unit ownership percentage (taking their units divided by the total units of 19,988,741) and multiplying by the net assets allocated to the Beneficiaries in total.

Beneficiaries should determine their allocable share of tax gain/ (loss) by calculating their relative Beneficiary unit ownership percentage (taking their units divided by the total units of 19,988,741).

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**Supplemental Tax Information - Operations in or Related to Boycotting Countries
Tax Information for the Period of 01/01/2018 to 12/31/2018**

HERO Liquidating Trust had operations in boycotting countries during 2018. Due to you being a grantor in the HERO Liquidating Trust, you may be required to file Form 5713, "International Boycott Report".

The following information is being provided by the Trustee for the purposes of completing Form 5713, International Boycott Report.

HERO Liquidating Trust had operations in or related to the following countries associated in carrying out the boycott of Israel which are on the list maintained by the Secretary of the Treasury under Section 999(a)(3):

| <u>Name of Country</u> | <u>Principal Business Activity Code</u> | <u>Principal Business Activity Description</u> |
|------------------------|---|--|
| Qatar | 211110 | Oil and Gas Extraction |
| Saudi Arabia | 211110 | Oil and Gas Extraction |
| United Arab Emirates | 211110 | Oil and Gas Extraction |
| Kuwait | 211110 | Oil and Gas Extraction |

HERO Liquidating Trust did not have operations in any non listed country which it knows or has reason to know requires participation in or cooperation with an international boycott directed against Israel.

HERO Liquidating Trust did not have operations in any other country which it knows or has reason to know requires participation in or cooperation with an international boycott other than the boycott of Israel.

HERO Liquidating Trust was not requested to participate in or cooperate with an international boycott nor did it participate in or cooperate with an international boycott.

HERO Liquidating Trust did not receive any requests to enter into, and did not enter into, any agreement to participate in or cooperate with an international boycott.

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Supplemental Tax Information - Foreign Tax Credit Information
Tax Information for the Period of 01/01/2018 to 12/31/2018

| General Category | Nigeria | Cayman | Saudi Arabia | UK | Total |
|---|----------------|---------------|---------------------|-------------|--------------|
| Branches/pass-through entities | | | | | |
| Foreign Taxable Income/(Loss) | (4,430,936) | 4,616,191 | (1,901,377) | (1,258,537) | (2,974,659) |
| Less: | | | | | |
| Interest Income (Passive basket) | 2,761 | 11,413 | - | - | 14,174 |
| Other Indirect expenses | 865,799 | - | - | - | 865,799 |
| Net Foreign (Income)/Loss | (5,299,496) | 4,604,778 | (1,901,377) | (1,258,537) | (3,854,632) |
| Foreign Income - General Category | (5,299,496) | 4,604,778 | (1,901,377) | (1,258,537) | (3,854,632) |
| Foreign Tax Accrued/Paid | 30,260 | - | 332,185 | - | 362,445 |
| Passive Category | | | | | |
| Branches/pass-through entities | | | | | |
| Net Foreign Interest Income | 2,761 | 11,413 | - | - | 14,174 |
| Foreign Income - Passive Category | 2,761 | 11,413 | - | - | 14,174 |
| Foreign Tax Accrued/ Paid | - | - | - | - | - |
| | 12/31/2018 | | | | |
| Total Domestic Assets (Presented Gross) | 16,283,469 | | | | |
| Total Foreign Assets (Presented Gross) | 62,961,633 | | | | |
| Total Assets (Presented Gross) | 79,245,102 | | | | |

At the end of 2018, the net assets of the company were approximately \$18,784,374, of which \$ or 0.00% were allocated to the Lender Wind Down Claim Holders and \$18,784,374 or 100.00% were allocated to the Beneficiaries. For the purposes of determining the allocable share of certain assets for informational reporting purposes, the Lender Wind Down Claimholders should determine their share of the total Lender Wind Down Claims by calculating their relative claim percentage (taking their Claim and dividing by the Total Lender Wind Down Claims) and multiplying by the percentage of net assets allocated to Lender Wind Down Claimholders in total. Beneficiaries should determine their allocable share by calculating their relative Beneficiary unit ownership percentage (taking their units divided by the total units of 19,988,741) and multiplying by the net assets allocated to the Beneficiaries in total.

Beneficiaries should determine their allocable share of foreign source income by calculating their relative Beneficiary unit ownership percentage (taking their units divided by the total units of 19,988,741).

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Supplemental Tax Information - Form 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities
Tax Information for the Period of 01/01/2018 to 12/31/2018

Hero Liquidating Trust owns interests in 17 foreign disregarded entities. Certain U.S. persons that are tax owners of foreign disregarded entities may be required to file Form 8858. HERO Liquidating Trust will file Forms 8858 reporting the below information. Please consult with your tax advisor as to whether you have a Form 8858 filing requirement.

| Line | HOUL | TTL | CDTOL | DOGL | HOTA | HBHL |
|---------------------|--|--|--|---|---|---|
| 1a | Hercules Offshore UK Ltd | Todoco Trinidad Ltd | Cliffs Trinidad Offshore Ltd. | Discovery Offshore (Gibraltar) Ltd. | Hercules Tanjung Asia Sdn. Bhd. | Hercules Britannia Holdings Limited |
| | Berry Street Aberdeen, UK AB25-1HF 98-1335834 | 9 Irving Street San Fernando, TD 98-0390775 | 9 Irving Street, Suite 2200 San Fernando, TD 98-0180304 | 10/8, Int'l Commercial Centre Casemates Square, GI 98-1160587 | Lot 1-3, level 5, Block G (South) Kuala Lumpur, MY 50490 98-0595612 | Berry Street Aberdeen, UK AB25-1HF 98-1184616 |
| 1b(1) | United Kingdom, Corporation | Cayman Islands, Corporation | Trinidad, Corporation | Gibraltar, Corporation | Malaysia, Corporation | United Kingdom, Corporation |
| 1c | 2/24/2012 | 8/12/1999 | 11/20/1997 | 12/7/2011 | 1/24/2008 | 5/8/2014 |
| 1d | 12/1/2016 | 12/31/2002 | 11/20/1997 | 12/31/2013 | 1/24/2008 | 5/8/2014 |
| 1e | United Kingdom | Trinidad | Trinidad | Gibraltar | Malaysia | United Kingdom |
| 1g | Marketing | Drilling | Drilling | Offshore Drilling | Contract Drilling | Contract Drilling |
| 1h | US Dollar | US Dollar | US Dollar | US Dollar | US Dollar | US Dollar |
| 1i | Beau Thompson P.O. Box 6809 Houston, TX 77265 | Beau Thompson P.O. Box 6809 Houston, TX 77265 | Beau Thompson P.O. Box 6809 Houston, TX 77265 | Beau Thompson P.O. Box 6809 Houston, TX 77265 | Beau Thompson P.O. Box 6809 Houston, TX 77265 | Beau Thompson P.O. Box 6809 Houston, TX 77265 |
| 2b | Hercules Britannia Holdings Limited Berry Street Aberdeen, UK AB25-1HF | HERO Liquidating Trust P.O. Box 6809 Houston, TX 77265 | Cliffs Drilling (Barbados) SRL Suite 2, Lasco Building Christ Church, BB | Hercules International Holdings, Ltd. PO Box 309, Uglan House Grand Cayman, CJ KY1-1104 | Hercules International Drilling, Ltd. P.O. Box 309, Uglan House Grand Cayman, CJ KY1-1104 | Hercules International Holdings, Ltd. PO Box 309, Uglan House Grand Cayman, CJ KY1-1104 |
| 4a | UK | US | BB | CJ | CJ | CJ |
| 4b | 98-1184616 | 81-4467448 | 98-0180303 | 98-0483992 | 98-0595606 | 98-0483992 |
| 4c | US Dollar | US Dollar | US Dollar | US Dollar | US Dollar | US Dollar |
| 4d | See Attached | See Attached | See Attached | See Attached | See Attached | See Attached |
| 5 | | | | | | |
| Sch C | | | | | | |
| U.S. Dollars | | | | | | |
| C1 | - | - | - | - | - | - |
| C2 | - | - | - | - | - | 172,856 |
| C3 | - | - | - | - | - | (172,856) |
| C4 | - | - | - | - | - | - |
| C5 | - | - | - | - | - | - |
| C6 | - | - | - | - | - | - |
| C7 | - | - | - | - | - | - |
| C8 | - | - | - | - | - | - |
| C9 | - | - | - | - | - | 419,698 |
| C10 | - | - | - | - | - | 246,842 |
| C11 | - | - | - | - | - | 809,525 |
| C12 | - | - | - | - | - | - |
| C13 | - | - | - | - | - | - |
| C14 | - | - | - | - | - | (562,683) |
| Schedule F | | | | | | |
| F1a | - | - | - | - | - | 562,683 |
| F1b | - | - | - | - | - | - |
| F2a | - | - | - | - | - | - |
| F2b | - | - | - | - | - | - |
| F3a | - | - | - | - | - | 562,683 |
| F3b | - | - | - | - | - | - |
| F4a | - | - | - | - | - | - |
| F4b | - | - | - | - | - | - |
| F5a | - | - | - | - | - | 562,683 |
| F5b | - | - | - | - | - | - |
| F6a | - | - | - | - | - | 562,683 |
| F6b | - | - | - | - | - | - |
| Schedule G | | | | | | |
| G1 | No | No | No | No | No | No |
| G2 | No | No | No | No | No | No |
| G3 | - | - | - | - | - | - |
| G6 | No | No | No | No | No | No |
| G7 | No | No | No | No | No | No |
| Schedule H | | | | | | |
| H1 | - | - | - | - | - | (562,683) |
| H2 | - | - | - | - | - | - |
| H3 | - | - | - | - | - | 1,917,111 |
| H4 | - | - | - | - | - | (2,479,794) |
| H5 | - | - | - | - | - | - |
| H6 | - | - | - | - | - | (2,479,794) |
| H7 | - | - | - | - | - | (2,479,794) |

At the end of 2018, the net assets of the company were approximately \$18,784,374, of which \$ or 0.00% were allocated to the Lender Wind Down Claim Holders and \$18,784,374 or 100.00% were allocated to the Beneficiaries. For the purposes of determining the allocable share of certain assets for informational reporting purposes, the Lender Wind Down Claimholders should determine their share of the total Lender Wind Down Claims by calculating their relative claim percentage (taking their Claim and dividing by the Total Lender Wind Down Claims) and multiplying by the percentage of net assets allocated to Lender Wind Down Claimholders in total. Beneficiaries should determine their allocable share by calculating their relative Beneficiary unit ownership percentage (taking their units divided by the total units of 19,988,741) and multiplying by the net assets allocated to the Beneficiaries in total.

HERO Liquidating Trust EIN: 81-4467448
P.O. Box 6809, Houston TX 77265

Supplemental Tax Information - Form 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities (Continued)
Tax Information for the Period of 01/01/2018 to 12/31/2018

| Line | HBOL | HOSL | HIDL | HHHL | HIMCL | HIOL |
|---------------------|--|---|--|--|---|---|
| 1a | Hercules British Offshore Limited | Hercules Oilfield Services Ltd | Hercules International Drilling Ltd. | Hercules International Holdings Ltd | Hercules International Management Co. Ltd | Hercules International Offshore Ltd |
| | P.O. Box 6809 Houston, TX 77265 | PO Box 309, Uglad House Grand Cayman, CJ KY1-1104 | PO Box 309, Uglad House Grand Cayman, CJ KY1-1104 | PO Box 309, Uglad House Grand Cayman, CJ KY1-1104 | PO Box 309, Uglad House Grand Cayman, CJ KY1-1104 | PO Box 309, Uglad House Grand Cayman, CJ KY1-1104 |
| 1b(1) | 98-1184684 | 98-0524968 | 98-0595606 | 98-0483992 | 98-0682727 | 98-0483995 |
| 1c | United Kingdom, Corporation | Cayman Islands, Corporation | Cayman Islands, Corporation | Cayman Islands, Corporation | Cayman Islands, Corporation | Cayman Islands, Corporation |
| 1d | 5/9/2014 | 9/28/2006 | 12/28/2006 | 12/12/2005 | 9/28/2006 | 12/12/2005 |
| 1e | 5/9/2014 | 12/28/2010 | 12/31/2012 | 12/1/2016 | 12/27/2010 | 12/12/2005 |
| 1g | United Kingdom | Cayman Islands | Cayman Islands | Cayman Islands | Cayman Islands | Cayman Islands |
| 1h | Contract Drilling | Drilling | Contract Drilling | Offshore Drilling, Liftboat | Drilling | Drilling |
| 1i | US Dollar | US Dollar | US Dollar | US Dollar | US Dollar | US Dollar |
| 2b | Beau Thompson P.O. Box 6809 Houston, TX 77265 | Beau Thompson P.O. Box 6809 Houston, TX 77265 | Beau Thompson P.O. Box 6809 Houston, TX 77265 | Beau Thompson P.O. Box 6809 Houston, TX 77265 | Beau Thompson P.O. Box 6809 Houston, TX 77265 | Beau Thompson P.O. Box 6809 Houston, TX 77265 |
| 4a | Hercules Britannia Holdings Limited Berry Street Aberdeen, UK AB25-1HF | Hercules International Holdings, Ltd. PO Box 309, Uglad House Grand Cayman, CJ KY1-1104 | Hercules International Management Co. Ltd. P.O. Box 309, Uglad House Grand Cayman, CJ KY1-1104 | HERO Liquidating Trust P.O. Box 6809 Houston, TX 77265 | Hercules Oilfield Services Ltd. P.O. Box 309, Uglad House Grand Cayman, CJ KY1-1104 | Hercules Oilfield Services Ltd. P.O. Box 309, Uglad House Grand Cayman, CJ KY1-1104 |
| 4b | UK | CJ | CJ | US | CJ | CJ |
| 4c | 98-1184616 | 98-0483992 | 98-0682727 | 81-4467448 | 98-0524968 | 98-0524968 |
| 4d | US Dollar | US Dollar | US Dollar | US Dollar | US Dollar | US Dollar |
| 5 | See Attached | See Attached | See Attached | See Attached | See Attached | See Attached |
| Sch. C | | | | | | |
| U.S. Dollars | | | | | | |
| C1 | - | 937,313 | - | - | - | - |
| C2 | - | 74,279 | - | 98,321 | - | - |
| C3 | - | 863,034 | - | (98,321) | - | - |
| C4 | - | - | - | - | - | - |
| C5 | - | - | - | - | - | - |
| C6 | - | - | - | - | - | - |
| C7 | - | - | - | - | - | - |
| C8 | - | - | - | - | - | - |
| C9 | - | - | - | - | - | - |
| C10 | - | 863,034 | - | (98,321) | - | - |
| C11 | - | 76,415,802 | 22,895 | 119,257,156 | - | 19,206,381 |
| C12 | - | - | - | - | - | - |
| C13 | - | - | - | - | - | - |
| C14 | - | (75,552,768) | (22,895) | (119,355,477) | - | (19,206,381) |
| Schedule F | | | | | | |
| F1a | - | 58,455,872 | - | 1,049,724 | - | 19,206,381 |
| F1b | - | 107,229 | - | - | - | - |
| F2a | - | 17,799,630 | 37,167 | 118,305,753 | - | - |
| F2b | - | 427,459 | - | - | - | - |
| F3a | - | 76,255,502 | 37,167 | 119,355,477 | - | 19,206,381 |
| F3b | - | 534,688 | - | - | - | - |
| F4a | - | 168,046 | 14,272 | - | - | - |
| F4b | - | - | - | - | - | - |
| F5a | - | 76,087,456 | 22,895 | 119,355,477 | - | 19,206,381 |
| F5b | - | 534,688 | - | - | - | - |
| F6a | - | 76,255,502 | 37,167 | 119,355,477 | - | 19,206,381 |
| F6b | - | 534,688 | - | - | - | - |
| Schedule G | | | | | | |
| G1 | No | No | No | No | No | No |
| G2 | No | No | No | No | No | No |
| G3 | - | - | - | - | - | - |
| G6 | No | No | No | No | No | No |
| G7 | No | No | No | No | No | No |
| Schedule H | | | | | | |
| H1 | - | (75,552,768) | (22,895) | (119,355,477) | - | (19,206,381) |
| H2 | - | 2,498,128 | - | 118,305,653 | - | - |
| H3 | - | - | - | - | - | - |
| H4 | - | (73,054,640) | (22,895) | (1,049,824) | - | (19,206,381) |
| H5 | - | - | - | - | - | - |
| H6 | - | (73,054,640) | (22,895) | (1,049,824) | - | (19,206,381) |
| H7 | - | (73,054,640) | (22,895) | (1,049,824) | - | (19,206,381) |

At the end of 2018, the net assets of the company were approximately \$18,784,374, of which 5 or 0.00% were allocated to the Lender Wind Down Claim Holders and \$18,784,374 or 100.00% were allocated to the Beneficiaries. For the purposes of determining the allocable share of certain assets for informational reporting purposes, the Lender Wind Down Claimholders should determine their share of the total Lender Wind Down Claims by calculating their relative claim percentage (taking their Claim and dividing by the Total Lender Wind Down Claims) and multiplying by the percentage of net assets allocated to Lender Wind Down Claimholders in total. Beneficiaries should determine their allocable share by calculating their relative Beneficiary unit ownership percentage (taking their units divided by the total units of 19,988,741) and multiplying by the net assets allocated to the Beneficiaries in total.

HERO Liquidating Trust EIN: 81-4467448
P.O. Box 6809, Houston TX 77265

Supplemental Tax Information - Form 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities (Continued)
Tax Information for the Period of 01/01/2018 to 12/31/2018

| Line | HONL | HOAL | HOHL | HOLC | HOME |
|---------------------|--|---|--|---|--|
| 1a | Hercules Offshore Nigeria Ltd | Hercules Offshore Arabia Ltd | Hercules Offshore Holdings Ltd | Hercules Offshore Labuan Corp | Hercules Offshore Middle East Ltd |
| 1b(1) | 2 Mosafejo Close, Off Queens Drive Koyi Lagos, NI 98-0526174 | PO Box 309, Uglad House Grand Cayman, CJ KY1-1104 98-0595604 | PO Box 309, Uglad House Grand Cayman, CJ KY1-1104 98-0595602 | Unit Leel 13(E), Main Office Tower Labuan Jalan Merdeka, MY 87000 98-0595614 | PO Box 309, Uglad House Grand Cayman, CJ KY1-1104 98-0595603 |
| 1c | Nigeria, Corporation | Cayman Islands, Corporation | Cayman Islands, Corporation | Malaysia, Corporation | Cayman Islands, Corporation |
| 1d | 11/22/2005 | 3/25/2008 | 3/11/2008 | 3/25/2008 | 3/11/2008 |
| 1e | 1/1/2007 | 7/15/2008 | 12/1/2016 | 7/15/2008 | 12/1/2016 |
| 1g | Nigeria | Cayman Islands | Cayman Islands | Malaysia | Cayman Islands |
| 1h | Drilling | Drilling | Contract Drilling | Contract Drilling | Contract Drilling |
| 1i | US Dollar | US Dollar | US Dollar | US Dollar | US Dollar |
| 2b | Beau Thompson P.O. Box 6809 Houston, TX 77265 | Beau Thompson P.O. Box 6809 Houston, TX 77265 | Beau Thompson P.O. Box 6809 Houston, TX 77265 | Beau Thompson P.O. Box 6809 Houston, TX 77265 | Beau Thompson P.O. Box 6809 Houston, TX 77265 |
| 4a | Hercules Offshore International, LLC P.O. Box 6809 Houston, TX 77265 | Hercules Offshore Middle East Ltd PO Box 309, Uglad House Grand Cayman, CJ KY1-1104 | HERO Liquidating Trust PO Box 309, Uglad House Houston, TX 77265 | Hercules International Drilling, Ltd. P.O. Box 309, Uglad House Grand Cayman, CJ KY1-1104 | Hercules Offshore Holdings Ltd PO Box 309, Uglad House Grand Cayman, CJ KY1-1104 |
| 4b | US | US | US | CJ | CJ |
| 4c | | 98-0595603 | 81-4467448 | 98-0595606 | 98-0595602 |
| 4d | US Dollar | US Dollar | US Dollar | US Dollar | US Dollar |
| 5 | See Attached | See Attached | See Attached | See Attached | See Attached |
| <u>Sch C</u> | | | | | |
| <u>U.S. Dollars</u> | | | | | |
| C1 | 616,476 | - | - | - | - |
| C2 | 1,814,886 | 1,582,204 | - | - | (9,291) |
| C3 | (1,198,410) | (1,582,204) | - | - | 9,291 |
| C4 | - | - | - | - | - |
| C5 | - | - | - | - | - |
| C6 | - | - | - | - | - |
| C7 | - | - | - | - | - |
| C8 | - | - | - | - | - |
| C9 | 3,925,760 | - | - | - | - |
| C10 | 2,727,350 | (1,582,204) | - | - | 9,291 |
| C11 | 1,816,657 | 11,970,125 | 265,099,970 | - | 24,462,736 |
| C12 | 30,260 | 1,593,622 | - | - | - |
| C13 | - | - | - | - | - |
| C14 | 880,433 | (15,145,951) | (265,099,970) | - | (24,453,445) |
| <u>Schedule F</u> | | | | | |
| F1a | 4,458,473 | 15,392,341 | - | - | 5,202,014 |
| F1b | 898,615 | 323,952 | - | - | 65,282,245 |
| F2a | - | - | 265,099,970 | - | 83,064,013 |
| F2b | - | - | - | - | - |
| F3a | 4,458,473 | 15,392,341 | 265,099,970 | - | 88,266,027 |
| F3b | 898,615 | 323,952 | - | - | 65,282,245 |
| F4a | 4,684,096 | 369,349 | - | - | 1,530,336 |
| F4b | 243,805 | 446,911 | - | - | - |
| F5a | (225,623) | 15,022,992 | 265,099,970 | - | 86,735,690 |
| F5b | 654,810 | (122,959) | - | - | 62,282,245 |
| F6a | 4,458,473 | 15,392,341 | 265,099,970 | - | 88,266,026 |
| F6b | 898,615 | 323,952 | - | - | 62,282,245 |
| <u>Schedule G</u> | | | | | |
| G1 | No | No | No | No | No |
| G2 | No | No | No | No | No |
| G3 | - | - | - | - | - |
| G6 | No | No | No | No | No |
| G7 | No | No | No | No | No |
| <u>Schedule H</u> | | | | | |
| H1 | 880,433 | (15,145,951) | (265,099,970) | - | (24,453,445) |
| H2 | - | - | - | - | - |
| H3 | 605,386 | - | - | - | - |
| H4 | 275,047 | (15,145,951) | (265,099,970) | - | (24,453,445) |
| H5 | - | - | - | - | - |
| H6 | 275,047 | (15,145,951) | (265,099,970) | - | (24,453,445) |
| H7 | 275,047 | (15,145,951) | (265,099,970) | - | (24,453,445) |

At the end of 2018, the net assets of the company were approximately \$18,784,374, of which \$ or 0.00% were allocated to the Lender Wind Down Claim Holders and \$18,784,374 or 100.00% were allocated to the Beneficiaries. For the purposes of determining the allocable share of certain assets for informational reporting purposes, the Lender Wind Down Claimholders should determine their share of the total Lender Wind Down Claims by calculating their relative claim percentage (taking their Claim and dividing by the Total Lender Wind Down Claims) and multiplying by the percentage of net assets allocated to Lender Wind Down Claimholders in total. Beneficiaries should determine their allocable share by calculating their relative Beneficiary unit ownership percentage (taking their units divided by the total units of 19,988,741) and multiplying by the net assets allocated to the Beneficiaries in total.

HERO Liquidating Trust EIN: 81-4467448
P.O. Box 6809, Houston TX 77265

Supplemental Tax Information - Form 8858, Line 5 - Organizational Chart
Tax Information for the Period of 01/01/2018 to 12/31/2018

| | | | |
|---|--|----|--|
| 1 | Entity Name Line 1: HERO Liquidating Trust % of Ownership: 100% Country: United States Placement or Position: Tier 1 Tax Classification: Liquidating Trust | 7 | Entity Name Line 1: Hercules International Management Co. Ltd. % of Ownership: 100% Country: Cayman Islands Placement or Position: Tier 4 Tax Classification: Disregarded entity Direct Owner: Hercules Oilfield Services Ltd. |
| 2 | Entity Name Line 1: Hercules International Holdings, Ltd. % of Ownership: 100% Country: Cayman Islands Placement or Position: Tier 2 Tax Classification: Disregarded entity Direct Owner: HERO Liquidating Trust | 8 | Entity Name Line 1: Hercules International Drilling Ltd. % of Ownership: 100% Country: Cayman Islands Placement or Position: Tier 5 Tax Classification: Disregarded entity Direct Owner: Hercules International Management Co. Ltd. |
| 3 | Entity Name Line 1: Hercules Oilfield Services Ltd. % of Ownership: 100% Country: Cayman Islands Placement or Position: Tier 3 Tax Classification: Disregarded entity Direct Owner: Hercules International Holdings, Ltd. | 9 | Entity Name Line 1: Hercules Offshore Labuan Corporation % of Ownership: 100% Country: Malaysia Placement or Position: Tier 6 Tax Classification: Disregarded entity Direct Owner: Hercules International Drilling Ltd. |
| 4 | Entity Name Line 1: Hercules Offshore International LLC % of Ownership: 100% Country: United States Placement or Position: Tier 4 Tax Classification: Disregarded entity Direct Owner: Hercules Oilfield Services Ltd. | 10 | Entity Name Line 1: Hercules Tanjung Asia Sdn Bhd % of Ownership: 100% Country: Malaysia Placement or Position: Tier 6 Tax Classification: Disregarded entity Direct Owner: Hercules International Drilling Ltd. |
| 5 | Entity Name Line 1: Hercules Offshore Nigeria Ltd. % of Ownership: 100% Country: Nigeria Placement or Position: Tier 5 Tax Classification: Disregarded entity Direct Owner: Hercules Offshore International LLC | 11 | Entity Name Line 1: Hercules Britannia Holdings Ltd. % of Ownership: 100% Country: United Kingdom Placement or Position: Tier 3 Tax Classification: Disregarded entity Direct Owner: Hercules International Holdings, Ltd. |
| 6 | Entity Name Line 1: Hercules International Offshore Ltd. % of Ownership: 100% Country: Cayman Islands Placement or Position: Tier 4 Tax Classification: Disregarded entity Direct Owner: Hercules Oilfield Services Ltd. | 12 | Entity Name Line 1: Hercules British Offshore Ltd. % of Ownership: 100% Country: United Kingdom Placement or Position: Tier 4 Tax Classification: Disregarded entity Direct Owner: Hercules Britannia Holdings Ltd. |

HERO Liquidating Trust EIN: 81-4467448
P.O. Box 6809, Houston TX 77265

Supplemental Tax Information - Form 8858, Line 5 - Organizational Chart (Continued)
Tax Information for the Period of 01/01/2018 to 12/31/2018

| | | | | | |
|----|--|---|----|--|--|
| 13 | Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner: | Hercules Offshore UK Ltd. 100% United Kingdom Tier 4 Disregarded entity Hercules Britannia Holdings Ltd. | 19 | Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner: | TODCO Trinidad Ltd. 100% Trinidad Tier 2 Disregarded entity HERO Liquidating Trust |
| 14 | Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner: | Discovery Offshore (Gibraltar) Ltd. 100% Gibraltar Tier 3 Disregarded entity Hercules International Holdings, Ltd. | 20 | Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner: | Hercules Drilling Company LLC 100% United States Tier 2 Disregarded entity HERO Liquidating Trust |
| 15 | Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner: | Hercules Offshore Holdings, Ltd. 100% Cayman Islands Tier 2 Disregarded entity HERO Liquidating Trust | 21 | Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner: | SD Drilling LLC 100% United States Tier 2 Disregarded entity HERO Liquidating Trust |
| 16 | Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner: | Hercules Offshore Middle East, Ltd. 100% Cayman Islands Tier 3 Disregarded entity Hercules Offshore Holdings, Ltd. | | | |
| 17 | Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner: | Hercules Offshore Arabia, Ltd. 100% Cayman Islands Tier 4 Disregarded entity Hercules Offshore Middle East, Ltd. | | | |
| 18 | Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner: | Cliffs Drilling Trinidad Offshore Ltd. 100% Trinidad Tier 4 Disregarded entity Cliffs Drilling (Barbados) SRL | | | |

**HERO Liquidating Trust EIN: 81-4467448
P.O. Box 6809, Houston TX 77265**

**Supplemental Tax Information - State Tax Sourcing
Tax Information for the Period of 01/01/2018 to 12/31/2018**

Your allocable share of state income is as follows:

| | | |
|-----------------------------|----|---|
| Delaware Income | \$ | - |
| Louisiana Net Income (Loss) | \$ | - |

Holders of HERO Trust interests may have state or local income tax obligations as a result of holding these entity interests. In the table above, please find activity data related to the state tax filings of HERO Liquidating Trust that could be relevant to your obligations, in addition to the data provided on the Trustee's Separate Statement of Income, Deductions and Credits Reportable by Trust Interest Holders.

Please consult your tax advisor regarding your state and local filing and tax responsibilities.