



HERO Liquidating Trust

Transfer of Funds from Disputed Claims Reserve to Trust Fourth Distribution to Holders of the Wind Down Entity Interests

December 23, 2019

On December 20, 2019, on the motion of the HERO Liquidating Trust (“Trust”), the U.S. Bankruptcy Court for the District of Delaware entered an order authorizing transfer to the Trust of \$34.2 million from the Disputed Claims Reserve established pursuant to the Modified Joint Prepackaged Chapter 11 Plan (Incorporating Mediation Settlement) (“Plan”) of Hercules Offshore, Inc. (“HERO”) and its affiliated debtors (the “Plan”).

On December 20, 2019, the Trust declared a distribution of \$25,000,000 (“Fourth Distribution”) payable to holders of the Wind Down Entity Interests, as defined in the Plan. On the effective date of the Plan, the common stock of HERO was cancelled, and holders of common stock received their pro rata share of the Wind Down Entity Interests. There are 19,988,897 outstanding Wind Down Entity Interests, which are non-transferable.

The Fourth Distribution will be paid in the amount of \$1.25069432 per Wind Down Entity Interest. Pursuant to the Plan, the Trust will not make any individual distribution that is less than \$50 unless a beneficiary has already received distributions totaling \$50 or more.

The Trust is seeking to have the Fourth Distribution made in advance of December 31, 2019, although no assurance can be given regarding when the distribution actually will be received by each beneficiary.

After having settled and paid the remaining disputed claims against the Debtors and set aside \$2 million in the Disputed Claims Reserve to provide for a litigation-related claim, the balance of the funds being transferred to the Trust from the Disputed Claims Reserve will be held by the Trust as a reserve against unknown or unexpected liabilities that may arise as a result of the winding up of the Trust and the expenses of completing the wind-up. Pursuant to the Plan, future distributions, if any, to holders of the Wind Down Entity Interests will be paid only to the extent of available funds and if declared by the Trust.

This information is made public pursuant to the Wind Down Entity and Distribution Agreement entered into as of December 2, 2016 in connection with the occurrence of the Effective Date of the Plan.