



HERCULES **Offshore**

HERO Liquidating Trust
February 2017 Activity Report

March 24, 2017



Cash Receipts and Disbursements and Wind-Up Activities

Cash Receipts and Disbursements

- This report covers the activities of the HERO Liquidating Trust (“Trust”) for the period from February 1, 2017 to February 28, 2017.
- Total receipts for the period were \$4.5 million. Receipts principally include (i) collections from customers and (ii) recovery of professionals’ retainers.
- Disbursements totaled approximately \$16.5 million.
- Net operating cash flow for the period was (\$12.1 million). Net cash flow, after reimbursements from reserve accounts, was \$0.5 million.
- The Trust distributed \$15.0 million to holders of the Wind Down Entity Interests. These interests are held by the former stockholders of Hercules Offshore, Inc.
- Cash as of February 28, 2017 was \$222.9 million, not including the remaining amounts in the reserve accounts established pursuant to the Plan.

Liquidation and Administration Activities

- The Trust continued to market its fleet assets for sale and conduct discussions with prospective buyers for the remaining assets.
- The Trust entered into agreements for sale of its Middle East Liftboat Fleet , which closed in March, and to sell the *Hercules 260*.
- The Trust continued normal activities to collect trade and other accounts receivable.
- The Trust continued normal activities to resolve pre- and postpetition claims and liabilities in accordance with the terms of the Plan.

This unaudited information is made public pursuant to the Wind-Down Entity and Distribution Agreement dated December 2, 2016 in connection with the occurrence of the Effective Date of the Joint Prepackaged Chapter 11 Plan (Incorporating Mediation Settlement) of Hercules Offshore, Inc. and its Debtor Affiliates.

(\$ in thousands)	Actuals
Beginning Cash Balance	\$ 237,477
Receipts	
Customer Collections	\$ 3,865
Other Receipts	594
Total Receipts	<u>\$ 4,459</u>
Disbursements	
Vendors and Other	\$ 4,572
Personnel Costs	2,244
Severance	105
Premise Rents	24
Taxes	75
Utilities	287
Ordinary Course Professionals	274
Estate/Liquidating Trust Professionals	8,514
Board of Directors	75
Asset Sale – Other	252
Other Allowed Claims	106
Total Disbursements	<u>\$ 16,529</u>
Net Operating Cash Flow	\$ (12,070)
Reimbursements	
Accrued Professional Fee Reserve	\$ 7,812
Disputed Claims Reserve	2,339
Allowed Claims Reserve	2,382
Severance Escrow	-
Total Reimbursements	<u>\$ 12,533</u>
Net Cash Flow	\$ 464
Distributions	
Wind Down Entity Interests	\$ 15,000
Lender Wind Down Claim	-
Total Distributions	<u>\$ 15,000</u>
Ending Cash Balance	<u>\$ 222,941</u>

