



HERCULES **Offshore**

HERO Liquidating Trust

Asset Valuation Summary as of December 2, 2016



Asset Valuation Summary

Valuation Requirement

- The Wind Down Entity and Distribution Agreement requires the Board to inform the Trustee of the value of assets transferred to the Trust from the Debtors. The agreement requires the Trustee to communicate that valuation to holders of the Lender Wind Down Claims and the Wind Down Entity Interests.

Summary of Valuation

- As shown on the table at right, the Board has concluded that the value of the assets, net of liabilities and claims, is \$381 million as of December 2, 2016.
- The estimated value is based on the prices achieved for fleet assets that have been sold, anticipated prices for fleet assets not yet sold (taking into consideration contractually-agreed prices for sales under contract), and the estimated net realizable value of accounts and other amounts receivable and other assets. Liabilities and claims are based on the Trust's financial records and other information available to the Trust about the likely outcome of certain claims.
- Additional information that holders of the Lender Wind Down Claims and the Wind Down Entity Interests will require to prepare their respective tax returns will be provided at a later date.

Disclaimer and Cautions

- The Trust cautions that the outcome of sales and resolution of liabilities and claims are subject to change. The actual outcome will differ from this estimate and differences could be material. There is no assurance that new claims will not arise.
- The valuation estimate is being provided only for the purpose of constituting a value to be used by the Debtors, the Trust, holders of the Wind Down Entity Interests and holders of the Lender Wind Down Claim for tax reporting purposes.
- The valuation estimate is not intended to represent the likely amounts to be realized by holders of the Wind Down Entity Interests or the Lender Wind Down Claim. Operating costs and the cost of completing the wind down have not been deducted.

Description	Amount (\$ million)
Cash	171
Accounts receivable	42
Property and equipment	222
Other assets	6
Total assets	441
Liabilities and claims	(60)
Net estimated value	381





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