



HERCULES **Offshore**

HERO Liquidating Trust
January 2018 Activity Report

February 28, 2018



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 January 1, 2018 to January 31, 2018.
- Total receipts for the period were \$1.7 million. Receipts include (i) collections from customers and (ii) certain other receipts.
- Disbursements totaled approximately \$2.5 million.
- Net operating cash flow for the period was (\$0.8 million). Net cash flow, after reimbursements from reserve accounts, was (\$0.3 million).
- The Trust did not make distributions to holders of the Lender Wind Down Claim or holders of the Wind Down Entity Interests during the period.
- Cash as of January 31, 2018 was \$70.8 million, not including the remaining amounts in the reserve accounts established pursuant to the Plan.

Liquidation and Administration Activities

- The Trust continued to market the remainder of the fleet for sale in January and continued to hold discussions with prospective buyers. As reported after month-end, the Trust sold the *Hercules Bull Ray* for net proceeds of approximately \$14.5 million on February 16, 2018 and entered into an agreement to sell the remaining twelve liftboats in its West African fleet and certain shore side assets in Nigeria for proceeds of approximately \$5.5 million. Completion of the latter sale transaction is anticipated no later than March 15, 2018.
- The Trust continued normal activities to collect trade and other accounts receivable.
- The Trust continued its activities to resolve pre- and post-petition 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	\$ 71,126
Receipts	
Customer Collections	\$ 1,097
Other Receipts	560
Total Receipts	\$ 1,657
Disbursements	
Vendors and Other	\$ 976
Personnel Costs	676
Premise Rents	46
Insurance	17
Taxes	12
Utilities	191
Ordinary Course Professionals	446
Liquidating Trust/Estate Professionals	63
Other Allowed Claims	48
Total Disbursements	\$ 2,475
Net Operating Cash Flow	\$ (818)
Reimbursements	
Accrued Professional Fee Reserve	\$ -
Disputed Claims Reserve	523
Allowed Claims Reserve	-
Severance Escrow	-
Total Reimbursements	\$ 523
Net Cash Flow	\$ (295)
Distributions	
Wind Down Entity Interests	\$ -
Lender Wind Down Claim	-
Total Distributions	\$ -
Ending Cash Balance	<u>\$ 70,831</u>

