



# **HERCULES** **Offshore**

HERO Liquidating Trust  
Annual Activity Report for the Period  
December 2, 2016 to December 31, 2017

March 30, 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 December 2, 2016 to December 31, 2017.
- Total receipts for the period were \$259.0 million. Receipts include (i) proceeds of sale of fleet and operating assets, (ii) process of sale of certain other assets, (iii) collections from customers and (iv) certain other receipts.
- Disbursements totaled approximately \$101.0 million.
- Net operating cash flow for the period was \$157.9 million. Net cash flow, after reimbursements from reserve accounts, was \$184.0 million.
- The Trust distributed \$15.0 million to holders of the Wind Down Entity Interests, which are held by the former stockholders of Hercules Offshore, Inc., and \$191.0 million to holders of the Lender Wind Down Claim.
- Cash as of December 31, 2017 was \$71.1 million, not including the remaining amounts in the reserve accounts established pursuant to the Plan.

## Liquidation and Administration Activities

- During the period, the Trust sold its fleet and operating assets in all regions other than the West African liftboat operations based in Nigeria. The Trust also marketed its remaining fleet assets for sale and continued to conduct discussions with prospective buyers.
- The Trust pursued normal activities to collect trade and other accounts receivable.
- The Trust pursued normal 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)	13-Month Total
<b>Beginning Cash Balance</b>	\$ 93,122
<b>Receipts</b>	
Customer Collections	\$ 59,381
Other Assets	1,041
Other Receipts	5,001
Asset Sale Proceeds	193,537
<b>Total Receipts</b>	\$ 258,960
<b>Disbursements</b>	
Vendors and Other	\$ 24,728
Personnel Costs	17,339
KEIP/KERP Bonus	2,916
Severance	1,644
Premise Rents	2,752
Insurance	6,288
Taxes	13,727
Utilities	2,458
Ordinary Course Professionals	4,139
Liquidating Trust/Estate Professionals	12,528
Board of Directors	300
Asset Sale – Commissions	2,742
Asset Sale – Other	687
Disputed Claims	7,451
Other Allowed Claims	1,326
<b>Total Disbursements</b>	\$ 101,026
<b>Net Operating Cash Flow</b>	\$ 157,934
<b>Reimbursements</b>	
Accrued Professional Fee Reserve	\$ 8,227
Disputed Claims Reserve	7,166
Allowed Claims Reserve	10,398
Severance Escrow	279
<b>Total Reimbursements</b>	\$ 26,070
<b>Net Cash Flow</b>	\$ 184,004
<b>Distributions</b>	
Wind Down Entity Interests	\$ 15,000
Lender Wind Down Claim	191,000
<b>Total Distributions</b>	\$ 206,000
<b>Ending Cash Balance</b>	\$ 71,126

