

HERO Liquidating Trust
EIN 81-4467448
Important U.S. Tax Information for the HERO Liquidating Trust Beneficiaries
and Lender Wind Down Claimholders

This notice provides 2017 tax information for holders (“Beneficiaries”) of Wind Down Entity Interests (each, a “Unit”) and holders of the Lender Wind Down Claim (“Lender Wind Down Claimholders”) of the HERO Liquidating Trust (“HERO Trust”) that are U.S. persons (within the meaning of Section 7701(a)(30) of the Internal Revenue Code) to determine their share of income, deductions, distributions and gain or loss attributable to their holdings in the HERO Trust. Each Beneficiary and Lender Wind Down Claimholder is encouraged to read the entire notice carefully. Because the tax rules are complex and dependent on the individual Beneficiary’s and Lender Wind Down Claimholder’s facts and circumstances, Beneficiaries and Lender Wind Down Claimholders should consult their tax advisors regarding the consequences of owning Units or Lender Wind Down Claim interests of the HERO Trust. The following summary of certain US federal income tax rules is for informational purposes only.

This notice supplements and replaces tax information previously provided on March 13, 2018.

Note that for 2017 none of the items of income, deductions, or credits of the HERO Trust should be reportable in respect of any holder’s Lender Wind Down Claim. Nevertheless, as certain Beneficiaries and Lender Wind Down Claimholders may have U.S. international information reporting requirements, supplemental tax information is being provided to all holders of HERO Trust interests. As the supplemental tax information is being provided for the period 01/01/2017 to 12/31/2017, Lender Wind Down Claimholders who acquired, or disposed of, a Lender Wind Down Claim during the year should contact Kristine Moore at kmoore@herculesoffshore.com should they require additional tax information.

The material herein is for general information and is not intended and should not be construed as professional tax or legal advice. Beneficiaries and Lender Wind Down Claimholders should consult their own advisors regarding all tax compliance matters relating to the information presented in this notice.

Grantor Trust Treatment

The HERO Trust is intended to qualify as a “liquidating trust” for U.S. federal income tax purposes. In general, a liquidating trust is not a separate taxable entity, but rather is treated for U.S. federal income tax purposes as a “grantor trust” (i.e., a pass-through type entity). However, no ruling has been requested from the Internal Revenue Service (“IRS”) and no opinion of counsel has been requested concerning the status of the HERO Trust as a grantor trust. Accordingly, there can be no assurance that the IRS would not take a contrary position.

Pursuant to the Wind Down Entity and Distribution Agreement dated December 2, 2016 by and among Hercules Offshore, Inc. (“Hercules”) and the direct and indirect subsidiaries of Hercules party thereto (collectively “Hercules and Subsidiaries”), the Managing Trustee named therein and Wilmington Savings Fund Society, FSB, d/b/a Christiana Trust, as Delaware Trustee (the “Trust Agreement”) and the Debtor’s Modified Joint Prepackaged Chapter 11 Plan (Incorporating Mediation Settlement) dated October 18, 2016 (“the Plan”) of Hercules and certain of its affiliates, which was confirmed pursuant to an order of the United States Bankruptcy Court for the District of Delaware entered on November 15, 2016 [Docket No. 486], it is intended that the Beneficiaries and Lender Wind Down Claimholders be treated as if they received the distribution of an undivided interest in each of the HERO Trust’s assets in a taxable transaction in satisfaction of their claims against the Debtor’s under the Plan and then immediately contributed such interests to the HERO Trust. Taxable income or loss allocated to each HERO Trust interest holder will be treated as income or loss with respect to such HERO Trust interest holder’s undivided interest in the HERO Trust assets, and not as income or loss with respect to its prior allowed claim.

The U.S. federal income tax obligations of a holder with respect to its HERO Trust interest are not dependent on the HERO Trust distributing any cash or other proceeds. In general, other than in respect of cash retained on account of a disputed ownership fund (“DOF”), a distribution of cash by the HERO Trust will not be separately taxable to a HERO Trust interest holder since such holder is already regarded for U.S. federal income tax purposes as owning the underlying assets. A DOF, however, will be subject to tax annually on a separate entity basis on any net income earned with respect to its assets, and all distributions from such DOF (which distributions will be net of the related expenses of the DOF) should be treated for U.S. federal income tax purposes as additional consideration received by holders in respect of their allowed claims and stock as if distributed by the Debtors and not as earnings of the HERO Trust.

Considerations for U.S. Federal Income Tax Purposes

Because the HERO Trust is a pass-through type entity, in general, each Beneficiary and Lender Wind Down Claimholder must report its allocable share of the HERO Trust's 2017 taxable income, expense, distributions and certain other items ("the Tax items"). Information for this purpose has been provided in the attached statement *Trustee's Separate Statement of Income, Deductions, and Credits Reportable by Trust Interest Holders* for the period January 1, 2017 through December 31, 2017. This statement is also available for the aggregate of all interests in HERO Trust on the website : <https://cases.primeclerk.com/herculesinfo>.

Each Beneficiary and Lender Wind Down Claimholder may use this information to report their share of each type of HERO Trust income and expense for the 2017 taxable year. Please note that for 2017, all items of income, deductions, or credits are allocable solely to the Beneficiaries.

The HERO Trust is not required to make any individual distribution that is less than \$50 to a Beneficiary reflected in its Register. Any amount not distributed to a Beneficiary because of this limitation shall become an asset of HERO Trust available for funding the next distribution, again subject to this limitation. As at December 31, 2017, HERO Trust does not anticipate having sufficient assets to distribute at least \$50 to any Beneficiary reflected in its' Register that holds 15 or fewer Units; consequently, for the period January 1, 2017 through December 31, 2017, no items of HERO Trust's income, deductions, or credits are allocable to such Beneficiaries. Please note that if you hold your Units in HERO Trust in "street name" through accounts of Depository Trust Company ("DTC") participants, this statement does not apply to you. As 156 of the 19,988,897 Hero Trust Units outstanding are held by Beneficiaries reflected in the Register holding 15 or fewer Units, other Beneficiaries should determine their relative share of tax items without regard to these Units. A Beneficiary's share of the items of income, deductions, and credits can be determined by multiplying the amount of such item by a fraction equal to the number of Units held by such Beneficiary divided by 19,988,741.

As Beneficiaries and Lender Wind Down Claimholders may have U.S. international information reporting requirements, supplemental tax information is also being provided. Please note that the amounts reported on the supplemental tax information statements represent the undivided interests of all holders of interests in HERO Trust. To properly determine the tax treatment of each Tax item (including its character, treatment and applicable elections), and their tax information reporting requirements, Beneficiaries and Lender Wind Down Claimholders should consult their tax advisors.

During 2017 distributions of \$14,999,851 were made by the HERO Trust to the Beneficiaries and \$191,000,000 were made to the Lender Wind Down Claimholders. No distributions were made by the DOF. In general, distributions by the HERO Trust, when made, will not be taxable events to a Beneficiary or Lender Wind Down Claimholder. However, any distributions from a DOF to a Beneficiary or Lender Wind Down Claimholder should be treated for U.S. federal income tax purposes as additional consideration received by the Beneficiary or Lender Wind Down Claimholder in respect of their allowed claims as if distributed by the Debtors and not as earnings of the HERO Trust. Thus, a Beneficiary or Lender Wind Down Claimholder must be careful to differentiate between the tax treatment of distributions from the DOFs and the tax treatment of distributions out of assets of the HERO Trust to which the Beneficiary or Lender Wind Down Claimholder is already considered the direct owner for U.S. federal income tax purposes.

Foreign Persons

Beneficiaries and Lender Wind Down Claimholders that are not U.S. persons (within the meaning of Section 7701(a)(30) of the Internal Revenue Code) ("Foreign Taxpayers") are subject to special tax rules with respect to their interests in HERO Trust. Due to the complexity of these rules, it is recommended that such Foreign Taxpayers consult their tax advisors regarding their individual income tax circumstances with respect to their interests in HERO Trust

Reporting with Respect to Hero Trust's Foreign Business Activities

During 2017, HERO Trust conducted business activities outside the United States of America, including business activities in certain boycott countries. As certain Beneficiaries and Lender Wind Down Claimholders may have U.S. international information reporting requirements, supplemental tax information is also being provided. Due to the complexity of the U.S. international tax reporting rules, HERO Trust Beneficiaries and Lender Wind Down Claimholders should consult their tax advisors regarding their individual income tax reporting requirements.

While there should not be foreign tax reporting or payment obligations for U.S. persons holding Units or Lender Wind Down Claims, Beneficiaries and Lender Wind Down Claimholders should consult their tax advisors as to whether, based on their particular circumstances, they have foreign tax reporting and payment obligations

State and Local Tax

Holders of HERO Trust interests may be required to file state and local income tax returns and may be liable for state income tax as a result of their ownership of HERO Trust interests. Holders of HERO Trust interests will need the foregoing information as well as amounts reported in the *Trustee's Separate Statement of Income, Deductions, and Credits Reportable by Trust Interest Holders* and the supplemental tax information to comply with the state income tax filing requirements in the applicable states. The laws pertaining to income tax in any given state may vary from those of another state and from those applicable to federal income tax. HERO Trust interest holders should consult their tax advisors regarding their responsibility for reporting and payment of state and local tax.

HERO Liquidating Trust EIN: 81-4467448
9 Greenway Plaza, Suite 2200, Houston, TX 77046
Trustee's Separate Statement of Income, Deductions, and Credits Reportable by Trust Interest Holders

Tax Information for the Period of 01/01/2017 to 12/31/2017
Total Units: 19,988,741

Items of Taxable Income (Loss) Reported by Branch	Abu Dhabi	Cayman	Gibraltar	Kuwait	Malaysia	Nigeria	Qatar	Saudi Arabia	UK	Other Foreign	United States	Total
Ordinary Business Income (Loss)												
Operating Revenue	-	9,919,252	-	-	-	13,430,179	1,240,946	1,788,775	321,432	-	1,858,576	28,559,160
Labor	(565,705)	(3,109,617)	-	(321,803)	1,145	(5,410,987)	(224,455)	(298,890)	(1,079,263)	(29,653)	(1,038,648)	(12,077,876)
Repairs, Maintenance & Supplies	(150,747)	(595,124)	-	-	-	(416,092)	(17,161)	(58,288)	(179,799)	-	(70,150)	(1,487,361)
Rental Fees	(37,211)	1,415	-	-	-	(9,421)	(832,877)	(1,010,035)	(117,139)	-	(39,687)	(2,044,955)
Rig & Liftboat Insurance	-	-	-	-	-	(542,654)	-	-	-	-	587,821	45,167
Communications	(13,044)	(59,696)	-	-	-	(24,469)	(19,743)	(117,017)	(35,967)	-	21,190	(248,746)
Travel	(82,731)	(164,041)	-	-	-	(202,328)	(15,008)	(118,465)	(75,291)	(85,758)	(304,901)	(1,048,523)
Other Operating Expense	64,577	(132,506)	-	-	(127)	(2,271,442)	(99,248)	(151,666)	(213,667)	170,674	1,271	(2,632,134)
Cost of Goods Sold	(784,861)	(4,059,569)	-	(321,803)	1,018	(8,877,393)	(1,208,492)	(1,754,361)	(1,701,126)	55,263	(843,104)	(19,494,428)
Labor	-	(459,607)	-	-	-	(851,589)	-	(214,310)	(308)	-	(7,082,984)	(8,608,798)
Professional Fees	-	(755,439)	-	(12,167)	(6,277)	(698,662)	(500)	(79,671)	(83,653)	-	(5,986,631)	(7,623,000)
Other General and Administrative Expense	(770)	(101,135)	(28)	-	1,020	(488,156)	188	(25,892)	(577)	-	(3,279,384)	(3,894,734)
General and Administrative Expense	(770)	(1,316,181)	(28)	(12,167)	(5,257)	(2,038,407)	(312)	(319,873)	(84,538)	-	(16,348,999)	(20,126,532)
Depreciation & Amortization	-	(2,483,686)	-	-	-	(368,956)	-	-	(2,289,333)	-	(2,670,977)	(7,812,952)
Other Income/(Expense), Net	1,658	(387,907)	-	-	(771)	263,861	(14,403)	(23,537)	(44,326)	-	1,873,584	1,668,159
Total Ordinary Income (Loss)	(783,973)	1,671,909	(28)	(333,970)	(5,010)	2,409,284	17,739	(308,996)	(3,797,891)	55,263	(16,130,920)	(17,206,593)
Interest Income	50,336	498,369	-	-	-	14,787	-	-	-	-	143,676	707,168
Section 1245 Gain / (Loss)												
Proceeds	-	10,673,558	-	-	-	-	-	-	128,700,035	-	48,090,970	187,464,563
Adjusted Basis	-	(10,265,396)	-	-	-	-	-	-	(126,388,889)	-	(47,412,290)	(184,066,575)
Net Gain / (Loss)	-	408,162	-	-	-	-	-	-	2,311,146	-	678,680	3,397,988
Other Information												
Alternative Minimum Tax Items (AMT)												
Post 1986 Depreciation Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Gain or Loss	-	-	-	-	-	-	-	-	-	-	-	-
Total Alternative Minimum Tax	-	-	-	-	-	-	-	-	-	-	-	-
Total Trust Distributions												205,999,851
Beneficiary Distributions												14,999,851
Wind Down Claimholders Distributions												191,000,000

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9 Greenway Plaza, Suite 2200, Houston, TX 77046

Supplemental Tax Information - Property, Plant, And Equipment
Tax Information for the Period of 01/01/2017 to 12/31/2017

Asset	In Service Date	Dispose Date	Cost	Recovery Period	Convention	Method	CY Depreciation	Disposed in CY
Hercules 150	12/3/2016	1/12/2017	\$ 61,526.00	7.5 Year	MQ	S/L	1,025.00	X
Hercules 173	12/3/2016	1/12/2017	\$ 61,526.00	7.5 Year	MQ	S/L	1,025.00	X
Hercules 201	12/3/2016	1/12/2017	\$ 123,052.00	7.5 Year	MQ	S/L	2,051.00	X
Hercules 205	12/3/2016	1/12/2017	\$ 2,485,650.00	7.5 Year	MQ	S/L	41,428.00	X
Hercules 209	12/3/2016	1/12/2017	\$ 393,767.00	7.5 Year	MQ	S/L	6,563.00	X
Hercules 212	12/3/2016	1/12/2017	\$ 61,526.00	7.5 Year	MQ	S/L	1,025.00	X
Hercules 214	12/3/2016	1/12/2017	\$ 61,526.00	7.5 Year	MQ	S/L	1,025.00	X
Hercules 251	12/3/2016	1/12/2017	\$ 61,526.00	7.5 Year	MQ	S/L	1,025.00	X
Hercules 253	12/3/2016	1/12/2017	\$ 61,526.00	7.5 Year	MQ	S/L	1,025.00	X
Hercules 263	12/3/2016	1/12/2017	\$ 1,009,026.00	7.5 Year	MQ	S/L	16,817.00	X
Hercules 264	12/3/2016	1/12/2017	\$ 3,598,979.00	7.5 Year	MQ	S/L	59,983.00	X
Hercules 264	12/3/2016	1/12/2017	\$ 27,430.00	7.5 Year	MQ	S/L	457.00	X
Hercules 350 (Adriatic III)	12/3/2016	1/12/2017	\$ 6,570,977.00	7.5 Year	MQ	S/L	109,516.00	X
Houma Shared Equipment	12/3/2016	1/12/2017	\$ 676,519.00	7.5 Year	MQ	S/L	11,275.00	X
Houma Shared Equipment	12/3/2016	1/12/2017	\$ 333,236.00	7.5 Year	MQ	S/L	5,554.00	X
Hercules 260	12/3/2016	4/4/2017	\$ 10,933,558.00	7.5 Year	MQ	S/L	546,678.00	X
Hercules 261 (ex 300)	12/3/2016	1/12/2017	\$ 4,714,492.00	7.5 Year	MQ	S/L	78,575.00	X
Hercules Triumph	12/3/2016	1/23/2017	\$ 65,000,000.00	7.5 Year	MQ	S/L	1,083,333.00	X
Hercules Resilience	12/3/2016	1/23/2017	\$ 65,000,000.00	7.5 Year	MQ	S/L	1,083,333.00	X
Houma Shared Equipment	12/3/2016	1/12/2017	\$ 1,947,716.00	7.5 Year	MQ	S/L	32,462.00	X
Land/ Mineral Interest	12/3/2016	5/23/2017	\$ 1,000,000.00	N/A	N/A	N/A	-	X
Gemfish	12/3/2016		\$ 74,822.00	7.5 Year	MQ	S/L	9,976.00	
Bonefish	12/3/2016		\$ 74,822.00	7.5 Year	MQ	S/L	9,976.00	
Tapertail	12/3/2016		\$ 74,822.00	7.5 Year	MQ	S/L	9,976.00	
Triggerfish	12/3/2016		\$ 573,636.00	7.5 Year	MQ	S/L	76,485.00	
Solefish	12/3/2016		\$ 573,636.00	7.5 Year	MQ	S/L	76,485.00	
Bluefish	12/3/2016		\$ 1,395,431.00	7.5 Year	MQ	S/L	186,057.00	
Blue Shark	12/3/2016		\$ 3,711,173.00	7.5 Year	MQ	S/L	494,823.00	
Black Jack	12/3/2016		\$ 3,711,173.00	7.5 Year	MQ	S/L	494,823.00	
Bull Ray	12/3/2016		\$ 6,846,217.00	7.5 Year	MQ	S/L	912,829.00	
All Vessels - Nigeria	12/3/2016		\$ 259,002.00	7.5 Year	MQ	S/L	34,534.00	
Aberdeen Office	12/3/2016		\$ 920,000.00	7.5 Year	MQ	S/L	122,667.00	
Aberdeen Office (Land)	12/3/2016		\$ 1,218,268.00	N/A	N/A	N/A	-	
Amberjack	12/3/2016	3/1/2017	\$ 2,598,390.00	7.5 Year	MQ	S/L	43,307.00	X
Kingfish	12/3/2016	3/1/2017	\$ 4,262,190.00	7.5 Year	MQ	S/L	71,036.00	X
Whale Shark	12/3/2016	3/1/2017	\$ 8,639,420.00	7.5 Year	MQ	S/L	143,990.00	X
Tiger Shark	12/3/2016		\$ 2,207,250.00	7.5 Year	MQ	S/L	294,300.00	
Scamp	12/3/2016		\$ 573,636.00	7.5 Year	MQ	S/L	76,485.00	
Rudderfish	12/3/2016		\$ 1,395,431.00	7.5 Year	MQ	S/L	186,057.00	
Pilotfish	12/3/2016		\$ 1,395,431.00	7.5 Year	MQ	S/L	186,057.00	
Oilfish	12/3/2016	10/27/2017	\$ 3,711,173.00	7.5 Year	MQ	S/L	432,970.00	X
Creole Fish	12/3/2016	10/27/2017	\$ 3,711,173.00	7.5 Year	MQ	S/L	432,970.00	X
Cutlass Fish	12/3/2016	10/27/2017	\$ 3,711,170.00	7.5 Year	MQ	S/L	432,974.00	X
Yard/ Trucks (no basis)	12/3/2016	3/31/2017	\$ -	-	-	-	-	X
ME Liftboat Comm/ Other	12/3/2016	3/1/2017	\$ -	-	-	-	-	X
Other Immat.	12/3/2016	12/31/2017	\$ -	-	-	-	-	X
Total Assets of Trust at 12/31/2016			\$ 215,821,824.00				\$ 7,812,952.00	
Less Assets Disposed in 2017			(190,817,074.00)					
Total Assets of Trust at 12/31/2017			25,004,750.00					

At the end of 2017, the net assets of the company were approximately \$121,601,157, of which \$63,326,604 or 52.08% were allocated to the Lender Wind Down Claim Holders and \$58,274,553 or 47.92% were allocated to the Beneficiaries. For the purposes of determining the allocable share of certain assets for informational reporting purposes, the Lender Wind Down Claimholders should determine their share of the total Lender Wind Down Claims by calculating their relative claim percentage (taking their Claim and dividing by the Total Lender Wind Down Claims) and multiplying by the percentage of net assets allocated to Lender Wind Down Claimholders in total. Beneficiaries should determine their allocable share by calculating their relative Beneficiary unit ownership percentage (taking their units divided by the total units of 19,988,741) and multiplying by the net assets allocated to the Beneficiaries in total.

Beneficiaries should determine their allocable share of depreciation by calculating their relative Beneficiary unit ownership percentage (taking their units divided by the total units of 19,988,741).

HERO Liquidating Trust EIN: 81-4467448
9 Greenway Plaza, Suite 2200, Houston, TX 77046

Supplemental Tax Information - Property, Plant, And Equipment - Asset Disposals
Tax Information for the Period of 01/01/2017 to 12/31/2017

Asset	In Service Date	Dispose Date	Proceeds/ (Other Costs)	Tax Costs	Tax Accumulated Depreciation	Tax Basis	Tax Gain/ (Loss)
Hercules 150	12/3/2016	1/12/2017	\$ 61,526.00	61,526.00	1,709.00	59,817.00	1,709.00
Hercules 173	12/3/2016	1/12/2017	\$ 61,526.00	61,526.00	1,709.00	59,817.00	1,709.00
Hercules 201	12/3/2016	1/12/2017	\$ 123,052.00	123,052.00	3,418.00	119,634.00	3,418.00
Hercules 205	12/3/2016	1/12/2017	\$ 2,485,650.00	2,485,650.00	69,046.00	2,416,604.00	69,046.00
Hercules 209	12/3/2016	1/12/2017	\$ 393,766.00	393,767.00	10,938.00	382,829.00	10,937.00
Hercules 212	12/3/2016	1/12/2017	\$ 61,526.00	61,526.00	1,709.00	59,817.00	1,709.00
Hercules 214	12/3/2016	1/12/2017	\$ 61,526.00	61,526.00	1,709.00	59,817.00	1,709.00
Hercules 251	12/3/2016	1/12/2017	\$ 61,526.00	61,526.00	1,709.00	59,817.00	1,709.00
Hercules 253	12/3/2016	1/12/2017	\$ 61,526.00	61,526.00	1,709.00	59,817.00	1,709.00
Hercules 263	12/3/2016	1/12/2017	\$ 1,009,026.00	1,009,026.00	28,029.00	980,997.00	28,029.00
Hercules 264	12/3/2016	1/12/2017	\$ 3,626,409.00	3,598,979.00	99,972.00	3,499,007.00	127,402.00
Hercules 264	12/3/2016	1/12/2017	\$ -	27,430.00	762.00	26,668.00	(26,668.00)
Hercules 350 (Adriatic III)	12/3/2016	1/12/2017	\$ 6,570,979.00	6,570,977.00	182,527.00	6,388,450.00	182,529.00
Houma Shared Equipment	12/3/2016	1/12/2017	\$ 2,957,471.00	676,519.00	18,792.00	657,727.00	2,299,744.00
Houma Shared Equipment	12/3/2016	1/12/2017	\$ -	333,236.00	9,257.00	323,979.00	(323,979.00)
Hercules 260	12/3/2016	4/4/2017	\$ 10,673,558.00	10,933,558.00	668,162.00	10,265,396.00	408,162.00
Hercules 261 (ex 300)	12/3/2016	1/12/2017	\$ 4,714,491.00	4,714,492.00	130,958.00	4,583,534.00	130,957.00
Hercules Triumph	12/3/2016	1/23/2017	\$ 64,350,018.00	65,000,000.00	1,805,556.00	63,194,444.00	1,155,574.00
Hercules Resilience	12/3/2016	1/23/2017	\$ 64,350,018.00	65,000,000.00	1,805,556.00	63,194,444.00	1,155,574.00
Houma Shared Equipment	12/3/2016	1/12/2017	\$ -	1,947,716.00	54,103.00	1,893,613.00	(1,893,613.00)
Land/ Mineral Interest	12/3/2016	5/23/2017	\$ 1,325,001.00	1,000,000.00	-	1,000,000.00	325,001.00
Amberjack	12/3/2016	3/1/2017	\$ 2,611,440.00	2,598,390.00	72,178.00	2,526,212.00	85,228.00
Kingfish	12/3/2016	3/1/2017	\$ 4,274,678.00	4,262,190.00	118,394.00	4,143,796.00	130,882.00
Whale Shark	12/3/2016	3/1/2017	\$ 8,658,167.00	8,639,420.00	239,984.00	8,399,436.00	258,731.00
Oilfish	12/3/2016	10/27/2017	\$ 3,172,333.00	3,711,173.00	474,205.00	3,236,968.00	(64,635.00)
Creole Fish	12/3/2016	10/27/2017	\$ 3,172,333.00	3,711,173.00	474,205.00	3,236,968.00	(64,635.00)
Cutlass Fish	12/3/2016	10/27/2017	\$ 3,172,333.00	3,711,170.00	474,205.00	3,236,965.00	(64,632.00)
Yard/ Trucks (no basis)	12/3/2016	3/31/2017	\$ 131,000.00	-	-	-	131,000.00
ME Liftboat Comm/ Other	12/3/2016	3/1/2017	\$ (676,693.00)	-	-	-	(676,693.00)
Other Immat.	12/3/2016	12/31/2017	\$ 377.00	-	(2.00)	2.00	375.00
Total Assets of Trust at 12/31/2016			\$ 187,464,563.00	\$ 190,817,074.00	\$ 6,750,499.00	\$ 184,066,575.00	\$ 3,397,988.00

At the end of 2017, the net assets of the company were approximately \$121,601,157, of which \$63,326,604 or 52.08% were allocated to the Lender Wind Down Claim Holders and \$58,274,553 or 47.92% were allocated to the Beneficiaries. For the purposes of determining the allocable share of certain assets for informational reporting purposes, the Lender Wind Down Claimholders should determine their share of the total Lender Wind Down Claims by calculating their relative claim percentage (taking their Claim and dividing by the Total Lender Wind Down Claims) and multiplying by the percentage of net assets allocated to Lender Wind Down Claimholders in total. Beneficiaries should determine their allocable share by calculating their relative Beneficiary unit ownership percentage (taking their units divided by the total units of 19,988,741) and multiplying by the net assets allocated to the Beneficiaries in total.

Beneficiaries should determine their allocable share of tax gain/ (loss) by calculating their relative Beneficiary unit ownership percentage (taking their units divided by the total units of 19,988,741).

HERO Liquidating Trust EIN: 81-4467448
9 Greenway Plaza, Suite 2200, Houston, TX 77046

Supplemental Tax Information - Operations in or Related to Boycotting Countries
Tax Information for the Period of 01/01/2017 to 12/31/2017

HERO Liquidating Trust had operations in boycotting countries during 2017. Due to you being a grantor in the HERO Liquidating Trust, you may be required to file Form 5713, "International Boycott Report".

The following information is being provided by the Trustee for the purposes of completing Form 5713, International Boycott Report.

HERO Liquidating Trust had operations in or related to the following countries associated in carrying out the boycott of Israel which are on the list maintained by the Secretary of the Treasury under Section 999(a)(3):

<u>Name of Country</u>	<u>Principal Business Activity Code</u>	<u>Principal Business Activity Description</u>
Qatar	211110	Oil and Gas Extraction
Saudi Arabia	211110	Oil and Gas Extraction
United Arab Emirates	211110	Oil and Gas Extraction
Kuwait	211110	Oil and Gas Extraction

HERO Liquidating Trust did not have operations in any non listed country which it knows or has reason to know requires participation in or cooperation with an international boycott directed against Israel.

HERO Liquidating Trust did not have operations in any other country which it knows or has reason to know requires participation in or cooperation with an international boycott other than the boycott of Israel.

HERO Liquidating Trust was not requested to participate in or cooperate with an international boycott nor did it participate in or cooperate with an international boycott.

HERO Liquidating Trust did not receive any requests to enter into, and did not enter into, any agreement to participate in or cooperate with an international boycott.

HERO Liquidating Trust EIN: 81-4467448
9 Greenway Plaza, Suite 2200, Houston, TX 77046

Supplemental Tax Information - Foreign Tax Credit Information
Tax Information for the Period of 01/01/2017 to 12/31/2017

General Category	Flow-through Entities										Total
	Malaysia	Nigeria	Cayman	Gibraltar	Qatar	Saudi Arabia	UAE	UK	Kuwait	Congo	
Branches/pass-through entities											
Foreign Taxable Income/(Loss)	(5,010)	(1,358,917)	1,433,473	(27)	789,599	630,856	(733,637)	2,124,366	(333,971)	3,945,013	6,491,745
Less:											
Interest Income (Passive basket)	-	14,787	498,369	-	-	-	50,336	-	-	-	563,492
Other Indirect expenses	-	666,166	23,699	-	99,840	135,346	-	15,944	-	468,318	1,409,313
Net Foreign (Income)/Loss	(5,010)	(2,039,870)	911,405	(27)	689,759	495,510	(783,973)	2,108,422	(333,971)	3,476,695	4,518,940
Foreign Income - General Category	(5,010)	(2,039,870)	911,405	(27)	689,759	495,510	(783,973)	2,108,422	(333,971)	3,476,695	4,518,940
Foreign Tax Accrued/Paid	-	637,420	-	(3,285)	41,208	578,753	-	-	1,274,524	611,991	3,140,611
Passive Category	Flow-through Entities										Total
	Malaysia	Nigeria	Cayman	Gibraltar	Qatar	Saudi Arabia	UAE	UK	Kuwait	Congo	
Branches/pass-through entities											
Net Foreign Interest Income	-	14,787	498,369	-	-	-	50,336	-	-	-	563,492
Foreign Income - Passive Category	-	14,787	498,369	-	-	-	50,336	-	-	-	563,492
Foreign Tax Accrued/ Paid	-	-	-	-	-	-	-	-	-	-	-
	12/31/2017										
Total Domestic Assets (Presented Gross)	70,472,767										
Total Foreign Assets (Presented Gross)	51,159,109										
Total Assets (Presented Gross)	121,631,876										

At the end of 2017, the net assets of the company were approximately \$121,601,157, of which \$63,326,604 or 52.08% were allocated to the Lender Wind Down Claim Holders and \$58,274,553 or 47.92% were allocated to the Beneficiaries. For the purposes of determining the allocable share of certain assets for informational reporting purposes, the Lender Wind Down Claimholders should determine their share of the total Lender Wind Down Claims by calculating their relative claim percentage (taking their Claim and dividing by the Total Lender Wind Down Claims) and multiplying by the percentage of net assets allocated to Lender Wind Down Claimholders in total. Beneficiaries should determine their allocable share by calculating their relative Beneficiary unit ownership percentage (taking their units divided by the total units of 19,988,741) and multiplying by the net assets allocated to the Beneficiaries in total.

Beneficiaries should determine their allocable share of foreign source income by calculating their relative Beneficiary unit ownership percentage (taking their units divided by the total units of 19,988,741).

HERO Liquidating Trust EIN: 81-4467448
9 Greenway Plaza, Suite 2200, Houston, TX 77046

Supplemental Tax Information - Form 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities
Tax Information for the Period of 01/01/2017 to 12/31/2017

Hero Liquidating Trust owns interests in 22 foreign disregarded entities. Certain U.S. persons that are tax owners of foreign disregarded entities may be required to file Form 8858. HERO Liquidating Trust will file Forms 8858 reporting the below information. Please consult with your tax advisor as to whether you have a Form 8858 filing requirement.

Line	CDBH	CDBS	CDTOL	DOGL	DOSL	HBHL
1a	Cliffs Drilling (Barbados) Holding SRL	Cliffs Drilling (Barbados) SRL	Cliffs Trinidad Offshore Ltd.	Discovery Offshore (Gibraltar) Ltd.	Discovery Offshore Services Ltd.	Hercules Britannia Holdings Limited
	Suite 2, Laco Building	Suite 2, Lasco Building	9 Irving Street, Suite 2200	10/8, Int'l Commercial Centre	PO Box 309, Uglad House	Berry Street
	Christ Church, BB	Christ Church, BB	San Fernando, TD	Casemates Square, GI	Grand Cayman, CJ KY1-1104	Aberdeen, UK AB25-1HF
1b(1)	98-0180302	98-0180303	98-0180304	98-1160587	98-1224902	98-1184616
1c	Barbados, Limited Liability Company	Barbados, Limited Liability Company	Trinidad, Corporation	Gibraltar, Corporation	Cayman Islands, Corporation	United Kingdom, Corporation
1d	11/20/1997	11/20/1997	11/20/1997	12/7/2011	11/1/2013	5/8/2014
1e	11/20/1997	11/20/1997	11/20/1997	12/31/2013	12/1/2014	5/8/2014
1g	Barbados	Barbados	Trinidad	Gibraltar	Cayman Islands	United Kingdom
1h	Drilling	Drilling	Drilling	Offshore Drilling	Offshore Drilling	Contract Drilling
1i	US Dollar	US Dollar	US Dollar	US Dollar	US Dollar	US Dollar
2b	Beau Thompson	Beau Thompson	Beau Thompson	Beau Thompson	Beau Thompson	Beau Thompson
	9 Greenway Plaza, Suite 2300	9 Greenway Plaza, Suite 2300	9 Greenway Plaza, Suite 2300	9 Greenway Plaza, Suite 2300	9 Greenway Plaza, Suite 2300	9 Greenway Plaza, Suite 2300
	Houston, TX 77046	Houston, TX 77046	Houston, TX 77046	Houston, TX 77046	Houston, TX 77046	Houston, TX 77046
4a	HERO Liquidating Trust	Cliffs Drilling (Barbados) Holding SRL	Cliffs Drilling (Barbados) SRL	Hercules International Holdings, Ltd.	Discovery Offshore (Gibraltar) Ltd.	Hercules International Holdings, Ltd.
	9 Greenway Plaza, Suite 2300	Suite 2, Laco Building	Suite 2, Lasco Building	PO Box 309, Uglad House	10/8, Int'l Commercial Centre	PO Box 309, Uglad House
	Houston, TX 77046	Christ Church, BB	Christ Church, BB	Grand Cayman, CJ KY1-1104	Casemates Square, GI	Grand Cayman, CJ KY1-1104
4b	US	BB	BB	CJ	GI	CJ
4c	81-4467448	98-0180302	98-0180303	98-0483992	98-1160587	98-0483992
4d	US Dollar	US Dollar	US Dollar	US Dollar	US Dollar	US Dollar
5	See Attached	See Attached	See Attached	See Attached	See Attached	See Attached
Sch C						
U.S. Dollars						
C1	-	-	-	-	-	-
C2	-	-	-	-	-	-
C3	-	-	-	-	-	-
C4	-	-	-	-	-	(7,235,243)
C5	-	-	-	-	-	(7,235,243)
C6	8,447,895	2,989,865	2,987,348	(6,001,126)	(339,517)	2,077,777
C7	-	-	-	-	-	-
C8	(8,447,895)	(2,989,865)	(2,987,348)	6,001,126	339,517	(9,313,020)
Schedule F						
F1a	5,458,328	-	-	1,914,215	-	7,387,889
F1b	-	-	-	-	-	562,683
F2a	2,989,567	2,989,865	2,987,348	-	-	2,550,000
F2b	-	-	-	-	-	-
F3a	8,447,895	2,989,865	2,987,348	1,914,215	-	9,937,889
F3b	-	-	-	-	-	562,683
F4a	-	-	-	7,915,341	339,517	62,187
F4b	-	-	-	-	-	-
F5a	8,447,895	2,989,865	2,987,348	(6,001,126)	(339,517)	9,875,703
F5b	-	-	-	-	-	562,683
F6a	8,447,895	2,989,865	2,987,348	1,914,215	-	9,937,890
F6b	-	-	-	-	-	562,683
Schedule G						
G1	No	No	No	No	No	No
G2	No	No	No	No	No	No
G3	-	-	-	-	-	-
G6	No	No	No	No	No	No
G7	No	No	No	No	No	No
Schedule H						
H1	(8,447,895)	(2,989,865)	(2,987,348)	6,001,126	339,517	(9,313,020)
H2	8,447,895	2,989,865	2,987,348	-	-	9,162,576
H3	-	-	-	5,997,869	339,517	-
H4	-	-	-	3,257	-	(150,444)
H5	-	-	-	-	-	-
H6	-	-	-	3,257	-	(150,444)
H7	-	-	-	3,257	-	(150,444)

At the end of 2017, the net assets of the company were approximately \$121,601,157, of which \$63,326,604 or 52.08% were allocated to the Lender Wind Down Claim Holders and \$58,274,553 or 47.92% were allocated to the Beneficiaries. For the purposes of determining the allocable share of certain assets for informational reporting purposes, the Lender Wind Down Claimholders should determine their share of the total Lender Wind Down Claims by calculating their relative claim percentage (taking their Claim and dividing by the Total Lender Wind Down Claims) and multiplying by the percentage of net assets allocated to Lender Wind Down Claimholders in total. Beneficiaries should determine their allocable share by calculating their relative Beneficiary unit ownership percentage (taking their units divided by the total units of 19,988,741) and multiplying by the net assets allocated to the Beneficiaries in total.

HERO Liquidating Trust EIN: 81-4467448
9 Greenway Plaza, Suite 2200, Houston, TX 77046

Supplemental Tax Information - Form 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities (Continued)
Tax Information for the Period of 01/01/2017 to 12/31/2017

Line	HBOL	HDL	HIDL	HIHL	HIMCL	HIOL
1a	Hercules British Offshore Limited	Hercules Discovery Ltd	Hercules International Drilling Ltd.	Hercules International Holdings Ltd	Hercules International Management Co. Ltd	Hercules International Offshore Ltd
	9 Greenway Plaza, Suite 2300 Houston, TX 77046	PO Box 309, Uglund House Grand Cayman, CJ KY1-1104	PO Box 309, Uglund House Grand Cayman, CJ KY1-1104	PO Box 309, Uglund House Grand Cayman, CJ KY1-1104	PO Box 309, Uglund House Grand Cayman, CJ KY1-1104	PO Box 309, Uglund House Grand Cayman, CJ KY1-1104
1b(1)	98-1184684	98-1335819	98-0595606	98-0483992	98-0682727	98-0483995
1c	United Kingdom, Corporation	Cayman Islands, Corporation	Cayman Islands, Corporation	Cayman Islands, Corporation	Cayman Islands, Corporation	Cayman Islands, Corporation
1d	5/9/2014	6/19/2013	12/28/2006	12/12/2005	9/28/2006	12/12/2005
1e	5/9/2014	12/1/2016	12/31/2012	12/1/2016	12/27/2010	12/12/2005
1g	United Kingdom	Cayman Islands	Cayman Islands	Cayman Islands	Cayman Islands	Cayman Islands
1h	Contract Drilling	Offshore Drilling	Contract Drilling	Offshore Drilling, Liftboat	Drilling	Drilling
1i	US Dollar	US Dollar	US Dollar	US Dollar	US Dollar	US Dollar
2b	Beau Thompson	Beau Thompson	Beau Thompson	Beau Thompson	Beau Thompson	Beau Thompson
	9 Greenway Plaza, Suite 2300 Houston, TX 77046	9 Greenway Plaza, Suite 2300 Houston, TX 77046	9 Greenway Plaza, Suite 2300 Houston, TX 77046	9 Greenway Plaza, Suite 2300 Houston, TX 77046	9 Greenway Plaza, Suite 2300 Houston, TX 77046	9 Greenway Plaza, Suite 2300 Houston, TX 77046
4a	Hercules Britannia Holdings Limited	HERO Liquidating Trust	Hercules International Management Co. Ltd.	HERO Liquidating Trust	Hercules Oilfield Services Ltd.	Hercules Oilfield Services Ltd.
	Berry Street Aberdeen, UK AB25-1HF	9 Greenway Plaza, Suite 2300 Houston, TX 77046	P.O. Box 309, Uglund House Grand Cayman, CJ KY1-1104	9 Greenway Plaza, Suite 2300 Houston, TX 77046	P.O. Box 309, Uglund House Grand Cayman, CJ KY1-1104	P.O. Box 309, Uglund House Grand Cayman, CJ KY1-1104
4b	UK	US	CJ	US	CJ	CJ
4c	98-1184616	81-4467448	98-0682727	81-4467448	98-0524968	98-0524968
4d	US Dollar	US Dollar	US Dollar	US Dollar	US Dollar	US Dollar
5	See Attached	See Attached	See Attached	See Attached	See Attached	See Attached
Sch C						
U.S. Dollars						
C1	321,432	-	9,441,480	-	-	-
C2	1,607,234	-	4,380,131	-	-	311,390
C3	(1,285,802)	-	5,061,349	-	-	(311,390)
C4	(268,198,705)	(2,923,972)	(142,123,599)	(435,513,123)	-	20,997,616
C5	(269,484,507)	(2,923,972)	(137,062,250)	(435,513,123)	-	20,686,226
C6	132,547	-	730,377	-	130,221	-
C7	1,299,965	-	(61,567)	-	(218,123)	-
C8	(270,917,019)	(2,923,972)	(137,731,060)	(435,425,221)	-	20,686,226
Schedule F						
F1a	226,222,498	92,045,250	134,889,521	332,167,987	-	-
F1b	-	-	-	1,049,724	-	19,206,381
F2a	130,000,000	3,454,222	10,037,167	233,241,564	-	-
F2b	-	-	37,167	118,305,753	-	-
F3a	356,222,498	95,499,472	144,926,688	565,409,551	-	-
F3b	-	-	37,167	119,355,477	-	19,206,381
F4a	85,305,479	92,575,500	7,172,733	10,628,853	-	1,479,845
F4b	-	-	14,272	-	-	-
F5a	270,917,019	2,923,972	137,753,955	554,780,698	-	(1,479,845)
F5b	-	-	22,895	119,355,477	-	19,206,381
F6a	356,222,498	95,499,472	144,926,688	565,409,551	-	-
F6b	-	-	37,167	119,355,477	-	19,206,381
Schedule G						
G1	No	No	No	No	No	No
G2	No	No	No	No	No	No
G3						
G6	No	No	No	No	No	No
G7	No	No	No	No	No	No
Schedule H						
H1	(270,917,019)	(2,923,972)	(137,731,060)	(435,425,221)	-	20,686,226
H2	271,762,230	2,923,972	141,737,641	435,513,123	-	-
H3	2,166,667	-	812,074	-	-	20,997,616
H4	(1,321,456)	-	3,194,507	87,902	-	(311,390)
H5	-	-	-	-	-	-
H6	(1,321,456)	-	3,194,507	87,902	-	(311,390)
H7	(1,321,456)	-	3,194,507	87,902	-	(311,390)

At the end of 2017, the net assets of the company were approximately \$121,601,157, of which \$63,326,604 or 52.08% were allocated to the Lender Wind Down Claim Holders and \$58,274,553 or 47.92% were allocated to the Beneficiaries. For the purposes of determining the allocable share of certain assets for informational reporting purposes, the Lender Wind Down Claimholders should determine their share of the total Lender Wind Down Claims by calculating their relative claim percentage (taking their Claim and dividing by the Total Lender Wind Down Claims) and multiplying by the percentage of net assets allocated to Lender Wind Down Claimholders in total. Beneficiaries should determine their allocable share by calculating their relative Beneficiary unit ownership percentage (taking their units divided by the total units of 19,988,741) and multiplying by the net assets allocated to the Beneficiaries in total.

HERO Liquidating Trust EIN: 81-4467448
9 Greenway Plaza, Suite 2200, Houston, TX 77046

Supplemental Tax Information - Form 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities (Continued)
Tax Information for the Period of 01/01/2017 to 12/31/2017

Line	HNSL	HOAL	HOHL	HOLC	HOME	HONL
1a	Hercules North Sea, Ltd.	Hercules Offshore Arabia Ltd	Hercules Offshore Holdings Ltd	Hercules Offshore Labuan Corp	Hercules Offshore Middle East Ltd	Hercules Offshore Nigeria Ltd
	PO Box 309, Ugland House	PO Box 309, Ugland House	PO Box 309, Ugland House	Unit Leel 13 (E), Main Office Tower	PO Box 309, Ugland House	2 Mosafejo Close, Off Queens Drive
	Grand Cayman, CJ KY1-1104	Grand Cayman, CJ KY1-1104	Grand Cayman, CJ KY1-1104	Labuan Jalan Merdeka, MY 87000	Grand Cayman, CJ KY1-1104	Ikoyi Lagos, NI
1b(1)	98-1184721	98-0595604	98-0595602	98-0595614	98-0595603	98-0526174
1c	Cayman Islands, Corporation	Cayman Islands, Corporation	Cayman Islands, Corporation	Malaysia, Corporation	Cayman Islands, Corporation	Nigeria, Corporation
1d	5/8/2014	3/25/2008	3/11/2008	3/25/2008	3/11/2008	11/22/2005
1e	5/8/2014	7/15/2008	12/1/2016	7/15/2008	12/1/2016	1/1/2007
1g	Cayman Islands	Cayman Islands	Cayman Islands	Malaysia	Cayman Islands	Nigeria
1h	Contract Drilling	Drilling	Contract Drilling	Contract Drilling	Contract Drilling	Drilling
1i	US Dollar	US Dollar	US Dollar	US Dollar	US Dollar	US Dollar
2b	Beau Thompson	Beau Thompson	Beau Thompson	Beau Thompson	Beau Thompson	Beau Thompson
	9 Greenway Plaza, Suite 2300	9 Greenway Plaza, Suite 2300	9 Greenway Plaza, Suite 2300	9 Greenway Plaza, Suite 2300	9 Greenway Plaza, Suite 2300	9 Greenway Plaza, Suite 2300
	Houston, TX 77046	Houston, TX 77046	Houston, TX 77046	Houston, TX 77046	Houston, TX 77046	Houston, TX 77046
4a	Hercules International Holdings, Ltd.	Hercules Offshore Middle East Ltd	HERO Liquidating Trust	Hercules International Drilling, Ltd.	Hercules Offshore Holdings Ltd	Hercules Offshore International, LLC
	PO Box 309, Ugland House	PO Box 309, Ugland House	9 Greenway Plaza, Suite 2300	P.O. Box 309, Ugland House	PO Box 309, Ugland House	9 Greenway Plaza, Suite 2300
	Grand Cayman, CJ KY1-1104	Grand Cayman, CJ KY1-1104	Houston, TX 77046	Grand Cayman, CJ KY1-1104	Grand Cayman, CJ KY1-1104	Houston, TX 77046
4b	CJ	CJ	US	CJ	CJ	US
4c	98-0483992	98-0595603	81-4467448	98-0595606	98-0595602	US Dollar
4d	US Dollar	US Dollar	US Dollar	US Dollar	US Dollar	US Dollar
5	See Attached	See Attached	See Attached	See Attached	See Attached	See Attached
Sch C						
U.S. Dollars						
C1	-	136,775	-	-	3,370,718	5,456,902
C2	-	280,472	-	-	5,713,143	5,190,365
C3	-	(143,697)	-	-	(2,342,425)	266,537
C4	(154,552)	(69,075,395)	-	(859,605)	(177,390,159)	(331,662)
C5	(154,552)	(69,219,092)	-	(859,605)	(179,732,584)	(65,125)
C6	-	233,874	-	-	104,186	2,111,387
C7	-	-	-	-	1,820,208	(1,760,188)
C8	(154,552)	(69,452,966)	-	(859,605)	(181,656,978)	(416,324)
Schedule F						
F1a	154,552	85,934,937	-	859,605	269,873,885	6,331,592
F1b	-	15,392,341	-	-	5,202,014	4,458,473
F2a	-	-	265,099,970	-	1,162,216	-
F2b	-	-	265,099,970	-	83,064,013	-
F3a	154,552	85,934,937	265,099,970	859,605	271,036,101	6,331,592
F3b	-	15,392,341	265,099,970	-	88,266,027	4,458,473
F4a	-	1,458,979	-	-	2,643,433	6,140,891
F4b	-	369,349	-	-	1,530,336	4,684,096
F5a	154,552	84,475,958	265,099,970	859,605	268,392,668	190,701
F5b	-	15,022,992	265,099,970	-	86,735,690	(225,623)
F6a	154,552	85,934,937	265,099,970	859,605	271,036,101	6,331,592
F6b	-	15,392,341	265,099,970	-	88,266,026	4,458,473
Schedule G						
G1	No	No	No	No	No	No
G2	No	No	No	No	No	No
G3	-	-	-	-	-	-
G6	No	No	No	No	No	No
G7	No	No	No	No	No	No
Schedule H						
H1	(154,552)	(69,452,966)	-	(859,605)	(181,656,978)	(416,324)
H2	154,552	69,051,858	-	859,605	177,427,750	605,386
H3	-	-	-	-	-	-
H4	-	(401,108)	-	-	(4,229,228)	189,062
H5	-	-	-	-	-	-
H6	-	(401,108)	-	-	(4,229,228)	189,062
H7	-	(401,108)	-	-	(4,229,228)	189,062

At the end of 2017, the net assets of the company were approximately \$121,601,157, of which \$63,326,604 or 52.08% were allocated to the Lender Wind Down Claim Holders and \$58,274,553 or 47.92% were allocated to the Beneficiaries. For the purposes of determining the allocable share of certain assets for informational reporting purposes, the Lender Wind Down Claimholders should determine their share of the total Lender Wind Down Claims by calculating their relative claim percentage (taking their Claim and dividing by the Total Lender Wind Down Claims) and multiplying by the percentage of net assets allocated to Lender Wind Down Claimholders in total. Beneficiaries should determine their allocable share by calculating their relative Beneficiary unit ownership percentage (taking their units divided by the total units of 19,988,741) and multiplying by the net assets allocated to the Beneficiaries in total.

HERO Liquidating Trust EIN: 81-4467448
9 Greenway Plaza, Suite 2200, Houston, TX 77046

Supplemental Tax Information - Form 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities (Continued)
Tax Information for the Period of 01/01/2017 to 12/31/2017

Line	HOSL	HOTA	HOUL	TTL
1a	Hercules Oilfield Services Ltd	Hercules Tanjung Asia Sdn. Bhd.	Hercules Offshore UK Ltd	Todoco Trinidad Ltd
	PO Box 309, Uglund House Grand Cayman, CJ KY1-1104	Lot 1-3, level 5, Block G (South) Kuala Lumpur, MY 50490	Berry Street Aberdeen, UK AB25-1HF	9 Irving Street San Fernando, TD
1b(1)	98-0524968	98-0595612	98-1335834	98-0390775
1c	Cayman Islands, Corporation	Malaysia, Corporation	United Kingdom, Corporation	Cayman Islands, Corporation
1d	9/28/2006	1/24/2008	2/24/2012	8/12/1999
1e	12/28/2010	1/24/2008	12/1/2016	12/31/2002
1g	Cayman Islands	Malaysia	United Kingdom	Trinidad
1h	Drilling	Contract Drilling	Marketing	Drilling
1i	US Dollar	US Dollar	US Dollar	US Dollar
2b	Beau Thompson 9 Greenway Plaza, Suite 2300 Houston, TX 77046	Beau Thompson 9 Greenway Plaza, Suite 2300 Houston, TX 77046	Beau Thompson 9 Greenway Plaza, Suite 2300 Houston, TX 77046	Beau Thompson 9 Greenway Plaza, Suite 2300 Houston, TX 77046
4a	Hercules International Holdings, Ltd. PO Box 309, Uglund House Grand Cayman, CJ KY1-1104	Hercules International Drilling, Ltd. P.O. Box 309, Uglund House Grand Cayman, CJ KY1-1104	Hercules Britannia Holdings Limited Berry Street Aberdeen, UK AB25-1HF	HERO Liquidating Trust 9 Greenway Plaza, Suite 2300 Houston, TX 77046
4b	CJ	CJ	CJ	US
4c	98-0483992	98-0595606	98-1184616	81-4467448
4d	US Dollar	US Dollar	US Dollar	US Dollar
5	See Attached	See Attached	See Attached	See Attached
Sch C				
U.S. Dollars				
C1	7,223,003	-	-	-
C2	2,058,013	-	-	-
C3	5,164,990	-	-	-
C4	70,945,936	553,399	(3,814,631)	(1,000)
C5	76,110,926	553,399	(3,814,631)	(1,000)
C6	106,883	4,240	14,847	-
C7	1,574,996	-	-	-
C8	74,429,047	549,159	(3,829,478)	(1,000)
Schedule F				
F1a	3,145,832	87,699	3,829,478	1,000
F1b	58,455,872	-	-	-
F2a	89,684,600	-	-	-
F2b	17,799,630	-	-	-
F3a	92,830,432	87,699	3,829,478	1,000
F3b	76,255,502	-	-	-
F4a	91,172,023	636,858	-	-
F4b	168,046	-	-	-
F5a	1,658,409	(549,159)	3,829,478	1,000
F5b	76,087,456	-	-	-
F6a	92,830,432	87,699	3,829,478	1,000
F6b	76,255,502	-	-	-
Schedule G				
G1	No	No	No	No
G2	No	No	No	No
G3				
G6	No	No	No	No
G7	No	No	No	No
Schedule H				
H1	74,429,047	549,159	(3,829,478)	(1,000)
H2	-	-	3,814,631	1,000
H3	72,753,303	553,399	-	-
H4	1,675,744	(4,240)	(14,847)	-
H5	-	-	-	-
H6	1,675,744	(4,240)	(14,847)	-
H7	1,675,744	(4,240)	(14,847)	-

At the end of 2017, the net assets of the company were approximately \$121,601,157, of which \$63,326,604 or 52.08% were allocated to the Lender Wind Down Claim Holders and \$58,274,553 or 47.92% were allocated to the Beneficiaries. For the purposes of determining the allocable share of certain assets for informational reporting purposes, the Lender Wind Down Claimholders should determine their share of the total Lender Wind Down Claims by calculating their relative claim percentage (taking their Claim and dividing by the Total Lender Wind Down Claims) and multiplying by the percentage of net assets allocated to Lender Wind Down Claimholders in total. Beneficiaries should determine their allocable share by calculating their relative Beneficiary unit ownership percentage (taking their units divided by the total units of 19,988,741) and multiplying by the net assets allocated to the Beneficiaries in total.

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Supplemental Tax Information - Form 8858, Line 5 - Organizational Chart
Tax Information for the Period of 01/01/2017 to 12/31/2017

1	Entity Name Line 1: HERO Liquidating Trust % of Ownership: 100% Country: United States Placement or Position: Tier 1 Tax Classification: Liquidating Trust	7	Entity Name Line 1: Hercules Offshore International LLC % of Ownership: 100% Country: United States Placement or Position: Tier 4 Tax Classification: Disregarded entity Direct Owner: Hercules Oilfield Services Ltd.
2	Entity Name Line 1: Hercules Discovery Ltd. % of Ownership: 100% Country: Cayman Islands Placement or Position: Tier 2 Tax Classification: Disregarded entity Direct Owner: HERO Liquidating Trust	8	Entity Name Line 1: Hercules Offshore Nigeria Ltd. % of Ownership: 100% Country: Nigeria Placement or Position: Tier 5 Tax Classification: Disregarded entity Direct Owner: Hercules Offshore International LLC
3	Entity Name Line 1: Hercules Liftboat Co. % of Ownership: 100% Country: United States Placement or Position: Tier 2 Tax Classification: Disregarded entity Direct Owner: HERO Liquidating Trust	9	Entity Name Line 1: Hercules International Offshore Ltd. % of Ownership: 100% Country: Cayman Islands Placement or Position: Tier 4 Tax Classification: Disregarded entity Direct Owner: Hercules Oilfield Services Ltd.
4	Entity Name Line 1: Hercules International Holdings, Ltd. % of Ownership: 100% Country: Cayman Islands Placement or Position: Tier 2 Tax Classification: Disregarded entity Direct Owner: HERO Liquidating Trust	10	Entity Name Line 1: Hercules Asset Management Ltd. % of Ownership: 100% Country: Cayman Islands Placement or Position: Tier 4 Tax Classification: Foreign Corporation Direct Owner: Hercules Oilfield Services Ltd.
5	Entity Name Line 1: Hercules North Sea Ltd. % of Ownership: 100% Country: Cayman Islands Placement or Position: Tier 3 Tax Classification: Disregarded entity Direct Owner: Hercules International Holdings, Ltd.	11	Entity Name Line 1: Hercules International Management Co. Ltd. % of Ownership: 100% Country: Cayman Islands Placement or Position: Tier 4 Tax Classification: Disregarded entity Direct Owner: Hercules Oilfield Services Ltd.
6	Entity Name Line 1: Hercules Oilfield Services Ltd. % of Ownership: 100% Country: Cayman Islands Placement or Position: Tier 3 Tax Classification: Disregarded entity Direct Owner: Hercules International Holdings, Ltd.	12	Entity Name Line 1: Hercules International Drilling Ltd. % of Ownership: 100% Country: Cayman Islands Placement or Position: Tier 5 Tax Classification: Disregarded entity Direct Owner: Hercules International Management Co. Ltd.

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Supplemental Tax Information - Form 8858, Line 5 - Organizational Chart (Continued)
Tax Information for the Period of 01/01/2017 to 12/31/2017

13	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	Hercules Offshore Labuan Corporation 100% Malaysia Tier 6 Disregarded entity Hercules International Drilling Ltd.	19	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	Discovery North Sea Ltd. 100% Cayman Islands Tier 4 Foreign Corporation Discovery Offshore (Gibraltar) Ltd.
14	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	Hercules Tanjung Asia Sdn Bhd 100% Malaysia Tier 6 Disregarded entity Hercules International Drilling Ltd.	20	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	Discovery Offshore Services Ltd. 100% Cayman Islands Tier 4 Disregarded entity Discovery Offshore (Gibraltar) Ltd.
15	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	Hercules Britannia Holdings Ltd. 100% United Kingdom Tier 3 Disregarded entity Hercules International Holdings, Ltd.	21	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	Hercules North Sea Driller Ltd. 100% United Kingdom Tier 5 Foreign Corporation Discovery Offshore Services Ltd.
16	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	Hercules British Offshore Ltd. 100% United Kingdom Tier 4 Disregarded entity Hercules Britannia Holdings Ltd.	22	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	Hercules Offshore Holdings, Ltd. 100% Cayman Islands Tier 2 Disregarded entity HERO Liquidating Trust
17	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	Hercules Offshore UK Ltd. 100% United Kingdom Tier 4 Disregarded entity Hercules Britannia Holdings Ltd.	23	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	Hercules Offshore Middle East, Ltd. 100% Cayman Islands Tier 3 Disregarded entity Hercules Offshore Holdings, Ltd.
18	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	Discovery Offshore (Gibraltar) Ltd. 100% Gibraltar Tier 3 Disregarded entity Hercules International Holdings, Ltd.	24	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	Hercules Offshore Arabia, Ltd. 100% Cayman Islands Tier 4 Disregarded entity Hercules Offshore Middle East, Ltd.

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Supplemental Tax Information - Form 8858, Line 5 - Organizational Chart (Continued)
Tax Information for the Period of 01/01/2017 to 12/31/2017

25	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	Cliffs Drilling Trinidad LLC 100% United States Tier 2 Disregarded entity HERO Liquidating Trust	31	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	FDT Holdings LLC 100% United States Tier 2 Disregarded entity HERO Liquidating Trust
26	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	Cliffs Drilling (Barbados) Holdings SRL 100% Barbados Tier 2 Disregarded entity HERO Liquidating Trust	32	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	FDT LLC 100% United States Tier 2 Disregarded entity HERO Liquidating Trust
27	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	Cliffs Drilling (Barbados) SRL 100% Barbados Tier 3 Disregarded entity Cliffs Drilling (Barbados) Holdings SRL	33	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	Hercules Drilling Company LLC 100% United States Tier 2 Disregarded entity HERO Liquidating Trust
28	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	Cliffs Drilling Trinidad Offshore Ltd. 100% Trinidad Tier 4 Disregarded entity Cliffs Drilling (Barbados) SRL	34	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	Hercules Liftboat Company LLC 100% United States Tier 2 Disregarded entity HERO Liquidating Trust
29	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	TODCO Trinidad Ltd. 100% Trinidad Tier 2 Disregarded entity HERO Liquidating Trust	35	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	SD Drilling LLC 100% United States Tier 2 Disregarded entity HERO Liquidating Trust
30	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	Hercules Offshore, Inc. 100% United States Tier 2 Disregarded entity HERO Liquidating Trust	36	Entity Name Line 1: % of Ownership: Country: Placement or Position: Tax Classification: Direct Owner:	Hercules Offshore Services LLC 100% United States Tier 2 Disregarded entity HERO Liquidating Trust

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**Supplemental Tax Information - State Tax Sourcing
Tax Information for the Period of 01/01/2017 to 12/31/2017**

Your allocable share of state income is as follows:

Delaware Income	\$	-
Louisiana Net Income (Loss)	\$	-

Holders of HERO Trust interests may have state or local income tax obligations as a result of holding these entity interests. In the table above, please find activity data related to the state tax filings of HERO Liquidating Trust that could be relevant to your obligations, in addition to the data provided on the Trustee's Separate Statement of Income, Deductions and Credits Reportable by Trust Interest Holders.

Please consult your tax advisor regarding your state and local filing and tax responsibilities.