

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See Attached

Multiple horizontal lines for listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ See Attached

Multiple horizontal lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attached

Multiple horizontal lines for providing other necessary information for the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ *Mark S. Myrtue* Date ▶ 03/25/2019

Print your name ▶ Mark S. Myrtue Title ▶ Treasurer and Corporate Secretary

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶	Firm's EIN ▶		Phone no.	
Firm's address ▶				

Hornbeck Offshore Services, Inc.

Attachment to Form 8937, Report of Organizational Actions Affecting Basis of Securities

The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code of 1986, as amended (the “**Code**”). Holders of the Exchanged Notes (as defined below) should consult their own tax advisors regarding the particular tax consequences of the Exchange (as defined below) to them, including the applicability and effect of all U.S. federal, state and local and non-U.S. tax laws.

Form 8937, Part II, Line 14

On February 7, 2019 (the “**Exchange Date**”), Hornbeck Offshore Services, Inc. (“**Issuer**”), completed an exchange (the “**Exchange**”) of \$131,629,000 aggregate principal amount of 5.875% Senior Notes due 2020 (the “**Exchanged Notes**”) held by certain holders for \$111,884,650 aggregate principal amount of Second Lien Term Loans due 2025 (the “**New Term Loans**”). Issuer has determined that the Exchange constitutes a “significant modification” of the Exchanged Notes within the meaning of Treasury Regulation § 1.1001-3(e), resulting in a deemed exchange of the Exchanged Notes for New Term Loans for U.S. federal income tax purposes.

Form 8937, Part II, Line 15

The exchange of Exchanged Notes for New Term Loans pursuant to the Exchange should qualify as a “recapitalization” (within the meaning of Section 368(a)(1)(E) of the Code) for U.S. federal income tax purposes if the Exchanged Notes and New Term Loans each constitute “securities” of the Issuer for U.S. federal income tax purposes. The term “security” is not defined in the Code or in the Treasury Regulations issued thereunder and, as applied to debt obligations, the meaning of the term “security” is unclear.

If the Exchange qualifies as a recapitalization for U.S. federal income tax purposes, a holder’s aggregate tax basis in the New Term Loans received in the Exchange generally would equal such holder’s aggregate adjusted tax basis in its Exchanged Notes immediately prior to the Exchange, increased by any gain recognized and decreased by the amount of any fees received.

If the Exchange does not qualify as a recapitalization for U.S. federal income tax purposes, the Exchange will be a fully taxable transaction for U.S. federal income tax purposes. In that case, a holder’s aggregate tax basis in the New Term Loans received in the Exchange generally would equal the issue price of the New Term Loans.

Holders of the Exchanged Notes should consult their own tax advisors regarding the possible classification of the Exchanged Notes and New Term Loans as securities and the tax consequences of the Exchange to them.

Form 8937, Part II, Line 16

If the Exchange qualifies as a recapitalization for U.S. federal income tax purposes, a holder's aggregate tax basis in the New Term Loans received in the Exchange generally would equal such holder's aggregate adjusted tax basis in its Exchanged Notes immediately prior to the Exchange, increased by any gain recognized and decreased by the amount of any fees received.

If the Exchange does not qualify as a recapitalization for U.S. federal income tax purposes, a holder's aggregate tax basis in the New Term Loans received in the Exchange generally would equal the issue price of the New Term Loans.

Issuer has determined that, as of the Exchange Date, the New Term Loans were "traded on an established market" within the meaning of Treasury Regulation § 1.1273-2(f), and the issue price of the New Term Loans is 90.00% (expressed as a percentage of face amount).

Holdings of the Exchanged Notes should consult their own tax advisors to determine the tax consequences of the Exchange to them.

Form 8937, Part II, Line 17

Sections 354, 358, 368, 1001 and 1012 of the Code.

Form 8937, Part II, Line 18

If the Exchange qualifies as a recapitalization (within the meaning of Section 368(a)(1)(E) of the Code) for U.S. federal income tax purposes, no loss would be recognized for U.S. federal income tax purposes.

If the Exchange does not qualify as a recapitalization for U.S. federal income tax purposes, the Exchange may result in a loss to a holder in an amount generally equal to the excess (if any) of the holder's adjusted tax basis in its Exchanged Notes over the sum of the fair market value of its New Term Loans and the amount of any fees received.

Form 8937, Part II, Line 19

The reportable tax year is 2019 with respect to calendar year taxpayers.