

Hornbeck Offshore Services, Inc. (“Hornbeck” or the “Company”) is publishing this notice pursuant to U.S. Treasury Regulation §1.1273-2(f)(9)(i) (the “Regulation”).¹

On September 4, 2020, the Company emerged from bankruptcy and issued the Second Lien Credit Facility to Holders of First Lien Claims.

The Regulation requires the issuer of a debt instrument issued in exchange for property (including other debt instruments) to determine whether the debt instrument is "traded on an established market" within the meaning of the Regulation and, if so, the fair market value of the debt instrument. This fair market value will establish the debt instrument's initial issue price for U.S. federal income tax purposes.

Hornbeck has determined that the Second Lien Credit Facility was “traded on an established market” within the meaning of the Regulation and that the issue price of the Second Lien Credit Facility for U.S. federal income tax purposes is \$89.50 for each \$100 of stated principal. The Second Lien Credit Facility was issued with “original issue discount” (within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended). Upon written request, the Company will promptly make available to any Holder of the Second Lien Credit Facility the following information: (1) the issue price and issue date, (2) the amount of original issue discount, and (3) the yield to maturity.

As provided by the Regulation, this determination is binding upon all Holders unless the Holder explicitly discloses, in accordance with the requirements of the Regulation, that its determination is different from the Company's determination on the Holder's timely filed U.S. federal income tax return for the taxable year that includes its acquisition date.

This notice is only intended to fulfill the Company's notification obligation under the Regulation and does not constitute tax advice. The Company urges each Holder of the Second Lien Credit Facility to obtain professional tax advice to determine the implications of this notification on the determination of the Holder's income tax liabilities.

For further information, please contact:

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¹ Capitalized terms used and not defined herein shall have the meaning ascribed to them in the *Debtors' Joint Prepackaged Chapter 11 Plan of Reorganization*, as amended and supplemented.