

## Report of Organizational Actions Affecting Basis of Securities

OMB No 1545-2224

▶ See separate instructions.

<b>Part I Reporting Issuer</b>			
<b>1 Issuer's name</b> Tidewater Inc.		<b>2 Issuer's employer identification number (EIN)</b> 72-0487776	
<b>3 Name of contact for additional information</b> Quinn Fanning	<b>4 Telephone No. of contact</b> 713-470-5231	<b>5 Email address of contact</b> qfanning@tdw.com	
<b>6 Number and street (or P.O. box if mail is not delivered to street address) of contact</b> 601 Poydras Street Suite 1500		<b>7 City, town, or post office, state, and Zip code of contact</b> New Orleans, LA 70130	
<b>8 Date of action</b> July 31, 2017	<b>9 Classification and description</b> Debt for debt exchange and debt for stock exchange		
<b>10 CUSIP number</b> See attached	<b>11 Serial number(s)</b> See attached	<b>12 Ticker symbol</b> See attached	<b>13 Account number(s)</b> See attached

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ See attached.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See attached.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See attached.

**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.

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18 Can any resulting loss be recognized? ▶ See attached.

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

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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 ▶  Date ▶ September 12, 2017

Print your name ▶ Quinn P. Fanning Title ▶ EVP & CFO

**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 ▶	
Firm's address ▶			Phone no.	

**Tidewater Inc.**  
**EIN: 72-0487776**  
**Date of Action: July 31, 2017**  
**Attachment to Internal Revenue Service Form 8937**  
**Report of Organization Actions Affecting Basis of Securities**

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended.

The information contained herein does not constitute tax advice and does not purport to be complete or to describe the tax consequences that may apply to particular categories of creditors or shareholders. Each creditor and shareholder should consult its own tax advisor regarding the particular tax consequences of the transaction to them, including the applicability and effect of all U.S. federal, state, and local and foreign tax law.

Unless otherwise defined, all capitalized terms have the meanings used in the Second Amended Joint Prepackaged Chapter 11 Plan of Reorganization of Tidewater Inc. and its Affiliated Debtors (the "Second Amended POR").

**Part I: Reporting Issuer**

<b>Classification and Description (Line 9)</b>	<b>CUSIP Number (Line 10)</b>	<b>Serial Number (Line 11)</b>	<b>Ticker Symbol (Line 12)</b>	<b>Account Number (Line 13)</b>
Common Stock	886423 102	N/A	TDW	N/A
New Common Stock	88642R 109	N/A	TDW	N/A
New Series A Warrants	88642R 117	N/A	TDW WS.A	N/A
New Series B Warrants	88642R 125	N/A	TDW WS.B	N/A
New Senior Secured Notes	88642R AA7	N/A	TDW4532140	N/A

New Creditor Warrants	88642R 133	N/A	N/A	N/A
Term Loan		N/A	N/A	N/A
Revolver		N/A	N/A	N/A
2010 Notes		N/A	N/A	N/A
2011 Notes		N/A	N/A	N/A
2013 Notes		N/A	N/A	N/A

**Part II: Organizational Action**

**Line 14: Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.**

**a. The Transaction**

On May 17, 2017 (the "Petition Date"), Tidewater Inc. ("Tidewater") and twenty-six of its subsidiaries filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code to pursue the Joint Prepackaged Chapter 11 Plan of Reorganization of Tidewater Inc. and its Affiliate Debtors, dated May 11, 2017 (the "POR") in accordance with a restructuring support agreement with certain of Tidewater's creditors to deleverage Tidewater's balance sheet significantly. Tidewater and the Tidewater Subsidiaries filed the Disclosure Statement for Joint and Prepackaged Chapter 11 Plan of Reorganization of Tidewater Inc. and its Affiliated Debtors (the "Disclosure Statement") in connection with the solicitation of votes on the POR. On July 12, 2017, Tidewater filed the First Amended Joint Prepackaged Chapter 11 Plan of Reorganization of Tidewater Inc. and its Affiliated Debtors (the "First Amended POR"). On July 13, 2017, Tidewater filed the Second Amended POR.

As of the Petition Date, Tidewater had outstanding liabilities subject to compromise totaling approximately \$2.3 billion. The \$2.3 billion consisted of the following: (i) \$900.0 million in borrowing under Amendment No. 1 of the Fourth Amended and Restated Credit Agreement (the "Credit Agreement"); (ii) \$382.5 million in principal amount of the 2010 Note Purchase Agreement (the "2010 Notes"); (iii) \$165.0 million in principal amount of the 2011 Note Purchase Agreement (the "2011 Notes"); (iv) \$500.0 million in principal amount of the 2013 Note Purchase

Agreement (the “2013 Notes” together with the 2010 Notes and 2011 Notes, the “Senior Unsecured Notes”); and (v) \$323.6 million under certain sale-leaseback agreements (the “Unresolved Sale-Leaseback Claims”) (collectively, the “General Unsecured Debt”).<sup>1</sup>

On July 17, 2017, the Bankruptcy Court entered an order confirming the Second Amended POR, pursuant to which, the following occurred on July 31, 2017 (the “Effective Date”):

1. Each of the holders of the General Unsecured Debt (the “Class 3 Creditors”) received, in full and final satisfaction of each of its claims, its pro rata share of (i) cash in the amount of approximately \$225.0 million; (ii) New Senior Secured Notes with an aggregate principal amount of \$350.0 million; and (iii) a combination of (a) New Common Stock and if applicable (b) New Creditor Warrants, representing 95 percent of the equity of reorganized Tidewater.
2. All the existing stock of Tidewater was cancelled and discharged and the prepetition shareholders of Tidewater (the “Pre-emergence Shareholders”) received their pro rata share of (i) New Common Stock representing five percent of the equity of reorganized Tidewater; (ii) New Series A Warrants; and (iii) New Series B Warrants.

For additional information, regarding the above described Transaction, please see the Second Amended POR and Disclosure Statement.

**Line 15: Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.**

Although the matter is not free from doubt, Tidewater is expected to treat the Transaction as a reorganization within the meaning of section 368(a)(1)(E). Additionally, Tidewater is expected to treat the Common Stock, New Common Stock, New Creditor Warrants, Revolver, Senior Unsecured Notes, New Senior Secured Notes, New Series A Warrants, and New Series B Warrants as either “stock” or “securities” within the meaning of section 354 (as the case may be).

For purposes of the analysis below and for ease of understanding, the Class 3 Creditors that were holders of the Revolver or Senior Unsecured Notes immediately prior to the Transaction (*i.e.*, the Class 3 Creditors other than the holders of the Term Loan and Unresolved Sale Leaseback Claims in their capacity as such) are referred to as the “Class 3 Security Holders.”

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<sup>1</sup> Under the Second Amended POR, the Bankruptcy Court allowed claims for the General Unsecured Debt including accrued but unpaid interest, other unpaid premiums, fees, costs, or other amounts due under the instruments governing the General Unsecured Debt. However, Section 6.18 of the Second Amended POR provides that the consideration received by the Class 3 Creditors including, the cash, New Senior Secured Notes, New Common Stock, and New Creditor Warrants, if applicable, is allocable first to the principal amount of the General Unsecured Debt. Thus, no consideration is allocable to accrued but unpaid interest, if any, on the General Unsecured Debt unless the fair market value of the consideration received exceeds the principal amount of the portion of the General Unsecured Debt exchanged therefor.

I. Exchange of the 2010 Notes, 2011 Notes, 2013 Notes, and Revolver

Following the Transaction, the aggregate basis of the New Senior Secured Notes, New Common Stock, and New Creditor Warrants in the hands of the Class 3 Security Holders is expected to be equal to the Class 3 Security Holder's historical tax basis in the 2010 Notes, 2011 Notes, 2013 Notes, and Revolver (as the case may be) exchanged therefor decreased by the amount of cash received, and increased by the amount of gain, if any, recognized by the Class 3 Security Holder on the exchange.<sup>2</sup> The calculated basis should be allocated among the New Senior Secured Notes, New Common Stock, and New Creditor Warrants based on their relative fair market value as of the Effective Date.

<b>Instrument</b>	<b>Fair Market Value as of Effective Date</b>
New Senior Secured Notes	\$1,044.00 per \$1,000.00 of principal
New Common Stock	\$25.00 per share
New Creditor Warrants	\$25.00 per warrant

The following simplified example illustrates a hypothetical Class 3 Security Holder's allocation of its aggregate tax basis in the Revolver and the Senior Unsecured Notes to the New Senior Secured Notes, New Common Stock, and New Creditor Warrants received in the Transaction.

Assumptions:

- Class 3 Security Holder determined its aggregate tax basis to be allocated among the New Senior Secured Notes, New Common Stock, and New Creditor Warrants after taking into account cash received and gain, if any, recognized is \$5,050,000 (*i.e.*, such holder's basis in the Revolver or Senior Unsecured Notes surrendered, as adjusted for cash and any gain).
- Class 3 Security Holder received (i) \$771,282 of New Senior Secured Notes, (ii) 20,184 shares of New Common Stock, and (iii) 42,621 New Creditor Warrants in exchange for its pro rata share of the 2010 Notes, 2011 Notes, 2013 Notes, and Revolver.

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<sup>2</sup> Each Class 3 Security Holder's aggregate basis in the New Senior Secured Notes, New Common Stock, and New Creditor Warrants received is expected to be increased by the amount of New Senior Secured Notes, New Common Stock, and New Creditor Warrants recognized as interest income (if any).

- No portion of the New Senior Secured Notes, New Common Stock, or New Creditor Warrants is allocable to accrued but unpaid interest.

Class 3 Security Holder's \$5,050,000 aggregate tax basis in the New Senior Secured Notes, New Common Stock, and New Creditor Warrants is allocated based on relative fair market value as follows:

<b>Instrument</b>	<b>Units</b>	<b>FMV at Effective Date</b>	<b>Total FMV at Effective Date</b>	<b>Tax Basis Allocation %</b>	<b>Allocated Tax Basis</b>
New Senior Secured Notes	\$771,282.00	\$1,044.00 per \$1,000.00 of principal	\$805,218.41	33.90%	\$1,711,950.00
New Common Stock	20,184 shares	\$25.00 per share	\$504,600.00	21.24%	\$1,072,620.00
New Creditor Warrants	42,621 warrants	\$25.00 per warrant	\$1,065,525.00	44.86%	\$2,265,430.00
<b>Total</b>			<b>\$2,375,343.41</b>	<b>100.00%</b>	<b>\$5,050,000.00</b>

## II. Exchange of the Common Stock

Following the Transaction, the basis in the New Common Stock, New Series A Warrants, and New Series B Warrants in the Pre-emergence Shareholder's hands is expected to be equal to the Pre-emergence Shareholder's historical tax basis in the Common Stock exchanged therefor allocated among the New Common Stock, New Series A Warrants, and New Series B Warrants based on their relative fair market value as of the Effective Date.

<b>Instrument</b>	<b>Fair Market Value as of Effective Date</b>	<b>Tax Basis Allocation %</b>
New Common Stock	\$37,500,000	78.18%
New Series A Warrants	\$5,521,620.64	11.51%
New Series B Warrants	\$4,943,755.16	10.31%

### III. Exchange of the Term Loan

Although the matter is not free from doubt, Tidewater is not expected to treat the Term Loan as a “security” within the meaning of section 354. Therefore, Tidewater is expected to treat the exchange of the Term Loan for the cash, New Senior Secured Notes, New Common Stock, and New Creditor Warrants as a taxable exchange under section 1001.

Following the Transaction, the basis in the New Common Stock and New Creditor Warrants in the hands of the Class 3 Creditors, as holders of the Term Loan, is expected to be equal to the fair market value of the New Common Stock and New Creditor Warrants, respectively on the Effective Date. Additionally, the basis in the New Senior Secured Notes in the hands of the Class 3 Creditors, as holders of the Term Loan, is expected to be equal to the issue price of the New Senior Secured Notes on the Effective Date.

<b>Instrument</b>	<b>Fair Market Value as of Effective Date</b>	<b>Issue Price as of Effective Date</b>
New Senior Secured Notes		\$1,044.00 per \$1,000.00 of principal
New Common Stock	\$25.00 per share	
New Creditor Warrants	\$25.00 per warrant	



**Line 16: Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.**

There are several possible approaches for determining the fair market value of the New Common Stock, New Senior Secured Notes, New Creditor Warrants, New Series A Warrants, and New Series B Warrants. Fair market value generally is the price at which property would change hands between a willing buyer and willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts.

For purposes of this analysis, the values of the instruments as of the Effective Date are assumed to be as follows:

<b>Instrument</b>	<b>Fair Market Value as of Effective Date</b>
New Common Stock	\$25.00 per share <sup>3</sup>
New Senior Secured Notes	\$1,044.00 per \$1,000.00 of principal <sup>4</sup>
New Creditor Warrants	\$25.00 per warrant <sup>5</sup>
New Series A Warrants	\$2.27 per warrant <sup>6</sup>
New Series B Warrants	\$1.88 per warrant <sup>7</sup>

**Line 17: List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.**

Section 368(a)(1)(E); Section 354; Section 356; Section 358; Section 1001; Section 1012; Treas. Reg. § 1.354-1(e); Treas. Reg. § 1.1273-2; Treas. Reg. § 1.1274-2.

<sup>3</sup> Based on the closing price of \$25.00 on August 1, 2017.

<sup>4</sup> Based on performance of an independent credit rating and research of the prevailing market yield as of July 31, 2017.

<sup>5</sup> Based on the application of the Black Scholes Model.

<sup>6</sup> Based on the application of the Black Scholes Model.

<sup>7</sup> Based on the application of the Black Scholes Model.

**Line 18: Can any resulting loss be recognized?**

Generally, no gain or loss will be permitted to be recognized in an exchange qualifying as a recapitalization pursuant to section 368(a)(1)(E). Specifically, as discussed above, Tidewater is expected to treat the exchange of the 2010 Notes, 2011 Notes, 2013 Notes, and Revolver for the New Senior Secured Notes, New Common Stock, and New Creditor Warrants as part of a reorganization within the meaning of section 368(a)(1)(E). Similarly, Tidewater is expected to treat the exchange of the common stock of the Pre-emergence Shareholders for the New Common Stock, New Series A Warrants, and New Series B Warrants as part of a reorganization within the meaning of section 368(a)(1)(E). Additionally, Tidewater is expected to treat the 2010 Notes, 2011 Notes, 2013 Notes, Revolver, Common Stock, New Senior Secured Notes, New Common Stock, New Creditor Warrants, New Series A Warrants, and New Series B Warrants as either “stock” or “securities” within the meaning of section 354 (as the case may be). Therefore, under section 356(c), Tidewater will not be permitted to recognize loss on these exchanges. However, taxpayers may recognize a loss on an exchange that is treated as a taxable sale or exchange under section 1001. As discussed above, Tidewater is not expected to treat the Term Loan as a “stock” or “security” within the meaning of section 354, and thus, Tidewater is expected to treat the exchange of the Term Loan for the cash, New Senior Secured Notes, New Common Stock, and New Creditor Warrants as a taxable exchange under section 1001. Therefore, the Class 3 Creditors, as holders of the Term Loan, may recognize a loss on the exchange equal to the excess, if any, of (i) the Class 3 Creditor’s basis in the Term Loan over, (ii) the sum of (a) the fair market value of the New Common Stock or New Creditor Warrants, (b) the issue price of the New Senior Secured Notes, and (c) the cash received with respect to the Term Loan.

**Line 19: Provide any other information necessary to implement the adjustment, such as the reportable tax year.**

The Transaction was consummated on July 31, 2017. For a Class 3 Creditor or Pre-emergence shareholder whose taxable year is the calendar year, the reportable tax year is 2017.