

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.

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

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

Sign Here

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.

Signature ▶

Date ▶

1/15/19

Print your name ▶ **David W. Honeyfield**

Title ▶ **SVP and Chief Financial Officer**

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Michael Osina		1/15/19		P00502854
Firm's name ▶	Firm's EIN ▶		Phone no.	
Grant Thornton LLP	36-6055558		832-476-3600	
Firm's address ▶ 700 Milam Street, Suite 300 Houston, TX 77002				

Ultra Resources, Inc.
FEIN: 83-0320643

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

DISCLAIMER: The information disclosed on this Form 8937 does not constitute tax advice and does not purport to take into account any note holder's specific circumstances.

Part I, Box 10

2025 Notes:

7.125% Senior Notes due 2025,
CUSIP: 90400GAB7
7.125% Senior Notes due 2025,
CUSIP: U9037BAB6

2024 Notes:

11% Senior Secured Second Lien
PIK Notes due 2024, CUSIP:
90400GAE1

Part II, Line 14

On December 17, 2018, Ultra Resources, Inc. (Ultra or the Company) entered into a Note Exchange Agreement with the holders of certain of its issued and outstanding debt. Pursuant to the Note Exchange Agreement, Ultra exchanged newly issued 2024 Notes with a stated principal amount of \$181,500,000 and 3,849,994 of warrants for outstanding 2025 Notes with a stated principal amount of \$275,000,000 (the 2025 Note Exchange).

Specifically, Ultra exchanged \$660 of the aggregate stated principal amount of the 2024 Notes and 14 warrants for each \$1,000 of aggregate stated principal of the 2025 Notes.

The 2025 Note Exchange was completed on December 21, 2018.

Part II, Line 15

The tax treatment of the 2025 Note Exchange depends on whether the 2025 Note Exchange constituted a recapitalization section 368(a)(1)(E). The determination of whether the 2025 Note Exchange constitutes a recapitalization depends on if the 2025 Notes and the 2024 notes each constitute "securities" for purposes of section 368.

If the 2025 Note Exchange constituted a recapitalization under section 368(a)(1)(E), the aggregate basis of each holder in the 2024 Notes and warrants received should be the same as such holder's basis in the 2025 Notes exchanged, decreased by the amount of any other property received, and increased by the amount of any gain recognized on the exchange.

If the 2025 Note Exchange did not constitute a recapitalization under section 368(a)(1)(E), the aggregate basis of each holder of the 2024 Notes and warrants received should be equal to their respective fair market values.

Holders of the 2025 Notes that were part of the 2025 Note Exchange should consult their tax advisors to determine the tax consequences.

Part II, Line 16

As described above, if the 2025 Note Exchange constituted a recapitalization under section 368(a)(1)(E), the aggregate basis of each holder in the 2024 Notes and warrants received should be the same as such holder's basis in the 2025 Notes, decreased by the amount of any other property received, and increased by the amount of any gain recognized on the exchange.

As described above, if the 2025 Note Exchange did not constitute a recapitalization under section 368(a)(1)(E), the aggregate basis of each holder of the 2024 Notes and warrants received should be equal to their respective fair market values.

The market value of the 2024 Notes was approximately 73 percent of their stated principal amount based on their sale price on January 4, 2019. The Company believes that the market value of the warrants was \$0.53 per warrant.

Holders of the 2025 Notes that were part of the 2025 Note Exchange should consult their tax advisors to determine the tax consequences.

Part II, Line 17

Sections 354, 356, 358, 368, 1001, 1012, and 1273.

Part II, Line 18

The 2025 Note Exchange should not result in a loss to the holders of the 2025 Notes to the extent that the 2025 Note Exchange constitutes a recapitalization under section 368(a)(1)(E).

The 2025 Note Exchange may result in a loss depending on each holder's specific circumstances if the 2025 Note Exchange does not constitute a recapitalization under section 368(a)(1)(E).

Holders of the 2025 Notes that were part of the 2025 Note Exchange should consult their tax advisors to determine the tax consequences.

Part II, Line 19

The reportable taxable year is 2018 for taxpayers who have a calendar year.