

Part II Organizational Action (continued)

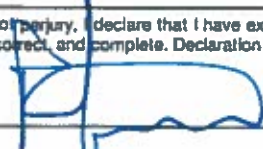
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ For Holders of Debt: IRC Sections 354, 368, 368, 1001, 1012, and 1223

For Holders of Old Halcon Common Stock: IRC Sections 354, 368, 368

18 Can any resulting loss be recognized? ▶ SEE ATTACHED STATEMENT

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ THE ADJUSTMENTS TO BASIS WOULD BE TAKEN INTO ACCOUNT IN THE TAX YEAR OF THE HOLDER DURING WHICH THE EFFECTIVE DATE OCCURRED (i.e., OCTOBER 8, 2019)

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 ▶ 11/21/19

Print your name ▶ Ragan Utzer Title ▶ EVP, CFO and Treasurer

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

Halcón Resources Corporation
FEIN: 20-0700684
Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities

Disclaimer: The information contained in Form 8937 and this attachment does not constitute tax advice and does not purport to take into account any shareholder's or note holder's specific circumstances. Shareholders and note holders are urged to consult their own tax advisors regarding U.S. tax consequences of the transaction described herein and the impact to tax basis resulting from the transaction.

Halcón Resources Corporation
FEIN: 20-0700684
Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities

Form 8937, Part I, Lines 9 and 10

Debt Instrument Exchanged	CUSIP
6.75% Senior Notes due 2025	40537QAP5 40537QAN0 40537QAQ3

Form 8937, Part II, Line 14

On August 7, 2019 (the “Petition Date”), Halcón Resources Corporation (“Halcón”) and certain of its U.S. subsidiaries (together, the “Debtors”) filed the *Joint Prepackaged Chapter 11 Plan of Halcón Corporation and Its Affiliated Debtors* (the “Bankruptcy Filing”) in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”). The Bankruptcy Filing was supplemented on August 30, 2019 (the “Plan Supplement”) (the Bankruptcy Filing, together with the Plan Supplement and any applicable amendments thereto are referred to as the “Plan”). On September 24, 2019 (the “Confirmation Date”), the Bankruptcy Court entered an order approving and confirming the Plan. On October 8, 2019 (the “Effective Date”), Halcón satisfied the conditions of the Plan and the Plan became effective.¹

On the Effective Date, in a series of transactions pursuant to the Plan, the Debtors distributed new common stock of Halcón (the “New Halcón Stock”) and cash to holders of certain claims (the “Allowed Claims”) as described below, in exchange for such holders’ cancellation and forgiveness of such claims. Concurrently, all of the old common stock of Halcón (the “Old Halcón Stock”) was cancelled and extinguished and the holders of the Old Halcón Stock received New Halcón Stock in respect of their equity interests in Halcón. The events that occurred on the Effective Date pursuant to the Plan are cumulatively referred to herein as the “Transaction.” The following describes the exchange of consideration between Halcón and the following holders of Allowed Claims of Halcón in the Transaction:

- Holders of the RBL Claims;
- Holders of the Senior Notes Claims; and

¹ All capitalized terms not otherwise defined in this disclosure have the same meaning as those defined terms in the Plan.

- Holders of the Old Halcón Stock Interests (*i.e.*, Existing Equity Interests).

Treatment of Holders of RBL Claims

Pursuant to the Plan, the RBL Claims included claims pursuant to the Amended and Restated Senior Secured Revolving Credit Agreement dated September 7, 2017 (the “RBL Agreement”), as amended, modified, or otherwise supplemented from time to time, between Halcón and JPMorgan Chase Bank, N.A. and other lenders from time to time party to the RBL Agreement. The RBL Claims were allowed in the amount of \$225,000,000 plus accrued and unpaid interest and any other amounts and obligations payable under the RBL Agreement as of the Effective Date. On the Effective Date, each holder of an Allowed RBL Claim was entitled to receive payment in full, in cash. All outstanding letters of credit were either replaced, cash collateralized, or otherwise secured to the satisfaction of the Issuing Bank (as defined in the RBL Agreement) in accordance with the terms of the RBL Agreement.

Treatment of Holders of Senior Notes Claims

Pursuant to the Plan, the Senior Notes Claims included claims by holders of the 6.75% Senior Notes due 2025 and were allowed in the amount of \$625,005,000.

On the Effective Date, each holder of an allowed Senior Notes Claim was entitled to receive, in full and final satisfaction of such claims, the holder’s Pro Rata share of: (i) 91% of the New Halcón Stock, subject to dilution by the Rights Offering Equity, the Warrant Equity, the MIP Equity, and the New Halcón Stock issued pursuant to the Backstop Commitment Premium; and (ii) the Senior Noteholder Subscription Rights, which entitle a holder to acquire New Halcón Stock in accordance with the Rights Offering Procedures as laid out in the Plan.

Treatment of Existing Equity Interests

On the Effective Date, the Existing Equity Interests were cancelled, released, and extinguished.

Holders of fewer than or equal to 2,000 shares of Existing Equity Interests received cash in an amount equal to the holder’s pro rata share of:

- (i) 9% of the New Halcón Stock subject to dilution by the Rights Offering Equity, the Warrant Equity, the MIP Equity, and the New Halcón Stock issued pursuant to the Backstop Commitment Premium;
- (ii) the Warrants; and

- (iii) the Existing Equity Interests Subscription Rights, which entitle a holder to acquire New Halcón Stock in accordance with the Rights Offering Procedures as laid out in the Plan.

Holders of more than 2,000 shares of Existing Equity Interests received a pro rata share of:

- (i) 9% of the New Halcón Stock subject to dilution by the Rights Offering Equity, the Warrant Equity, the MIP Equity, and the New Halcón Stock issued pursuant to the Backstop Commitment Premium;
- (ii) the Warrants; and
- (iii) the Existing Equity Interests Subscription Rights, which entitle a holder to acquire New Halcón Stock in accordance with the Rights Offering Procedures as laid out in the Plan.

Form 8937, Part II, Line 15

Effect on Basis to U.S. Holders

As a result of the Transaction, each holder of an RBL Claim, Senior Notes Claim, or Existing Equity Interests (together or separately, a “Claim”) exchanged its Claim for the right to receive consideration discussed on Line 14 of this Form 8937.

For purposes of this section, a “U.S. Holder” means a beneficial owner of an RBL Claim, Senior Notes Claim, or Existing Equity Interests, that is: (a) an individual citizen or resident of the United States for U.S. federal income tax purposes; (b) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof, or the District of Columbia; (c) an estate the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (d) a trust (i) if a court within the United States is able to exercise primary jurisdiction over the trust's administration and one or more United States persons have authority to control all substantial decisions of the trust or (ii) that has a valid election in effect under applicable Treasury regulations to be treated as a United States person.

The following summary of certain U.S. federal income tax consequences is for informational purposes only and is not a substitute for careful tax planning and advice based upon your individual circumstances. All holders of Claims and Interests are urged to consult their tax advisor for the U.S. federal, state, local and other tax consequences applicable under the Plan. For more information regarding the Transaction, please visit Halcón’s website for links to Halcón’s Plan of Reorganization and Disclosure Statement filed with the Bankruptcy Court, available at <http://www.halconresources.com/investors/reorganization-information/>.

Effect on Basis to U.S. Holders of Claims that Constitute Stock or Securities

Exchanges of Securities

The U.S. federal income tax consequences of the Plan to a holder of the Senior Note Claims depends, in part, on whether the Senior Note Claims and, possibly, the Senior Noteholder Subscription Rights constitute “securities” of Halcón for U.S. federal income tax purposes. The Senior Noteholder Subscription Rights may constitute a “security” of Halcón as it relates to the Senior Notes. Holders of the Senior Note Claims are urged to consult their own tax advisors regarding the appropriate status for U.S. federal income tax purposes of the Senior Note Claims and the Senior Noteholder Subscription Rights for U.S. federal income tax purposes.

The exchange (or deemed exchange) of a Claim that constitutes a “security” for U.S. federal income tax purposes, for the consideration issued in the Transaction, should be treated as part of a tax-deferred “recapitalization” within the meaning of IRC Section 368(a). A U.S. Holder of a Claim that received consideration in exchange for such Claim as part of a reorganization generally would not recognize gain or loss unless the holder also received cash or other property in the exchange. In such a case, the holder generally would recognize gain (but not loss) on the exchange, but only up to the amount of any cash and generally the fair market value of the other property received. In addition, notwithstanding that the exchange is otherwise part of a tax-free reorganization, a U.S. Holder will recognize interest income to the extent of any exchange consideration allocable to accrued but unpaid interest not previously included in income.

A U.S. Holder’s tax basis in stock or securities received in the Transaction in exchange for a Claim (apart from any portion thereof allocable to interest) in the case where the exchange is an IRC Section 368(a) reorganization generally will equal such holder’s adjusted tax basis in the stock or securities surrendered, less the amount of cash and the fair market value of any other property received, plus the amount of gain or interest income recognized by the holder, and a holder’s holding period in such stock or securities received (apart from any portion thereof allocable to interest) generally will include the holder’s holding period in the stock or securities surrendered, except to the extent of any consideration received in respect of accrued but unpaid interest. A U.S. Holder’s tax basis in other property received generally will be such property’s fair market value as of the Effective Date, and the holder’s holding period for such other property generally will begin on the date after the day of receipt.

To the extent any portion of a U.S. Holder’s share of the consideration is allocable to interest on its Claim that accrued while such holder held the Claim, such portion would be generally treated as interest income to the U.S. Holder. A U.S. Holder’s tax basis in stock or securities received on account of accrued but unpaid interest generally is expected to be equal to the fair market

value of such stock or securities, and the holder's holding period for such stock or securities generally will begin on the day after the day of receipt.

Treatment of Senior Noteholder Subscription Rights

The characterization of the Senior Noteholder Subscription Rights and their subsequent exercise for U.S. federal income tax purposes as the exercise of options to acquire New Halcón Stock is uncertain given that the Senior Noteholder Subscription Rights must be exercised prior to the Effective Date. Further, the receipt and exercise of the Senior Noteholder Subscription Rights pursuant to the Plan could be viewed as an integrated transaction pursuant to which part of the underlying shares of New Halcón Stock are treated as acquired directly in satisfaction of a holder's Senior Note Claims and part of the shares are treated as acquired for cash. The characterization of the Senior Noteholder Subscription Rights as the exercise of an option to acquire New Halcón Stock (and not as an integrated element within a larger purchase of New Halcón Stock) may impact, among other things, the amount of loss (if any) that a holder of Senior Note Claims may recognize if the satisfaction of its Senior Note Claim as part of the Plan is treated as a taxable exchange and, assuming the exercise of such rights, a holder's tax basis in the New Halcón Stock received.

Regardless of the characterization of the Senior Noteholder Subscription Rights, a holder of Senior Noteholder Subscription Rights generally would not recognize any gain or loss upon the exercise of such Senior Noteholder Subscription Rights. A holder's aggregate tax basis in the New Halcón Stock received upon exercise of a Senior Noteholder Subscription Right should be equal to the sum of (i) the amount paid upon exercise of the Senior Noteholder Subscription Rights and (ii) the holder's tax basis in the Senior Noteholder Subscription Rights. A holder's holding period in the New Halcón Stock received upon exercise of a Senior Noteholder Subscription Right generally should commence the day following the exercise of the Senior Noteholder Subscription Right. In addition, if the Senior Noteholder Subscription Rights are treated as received as part of a "recapitalization," any gain recognized upon a subsequent disposition of the New Halcón Stock may be treated as ordinary income to the extent of any carryover of accrued market discount in respect of the Senior Note Claim Exchanged therefor not previously included in income.

It is uncertain whether a holder that receives but does not exercise a Senior Noteholder Subscription Right should be treated as receiving anything of additional value in respect of its Senior Note Claim. If the Senior Noteholder Subscription Rights are respected for U.S. federal income tax purposes as options to acquire New Halcón Stock, and a holder is treated as having received a Senior Noteholder Subscription Right of value (despite its subsequent lapse), such that it obtains a tax basis in the Senior Noteholder Subscription Right, upon such lapse of the Senior Noteholder Subscription Right the holder generally would recognize a loss to the extent of the

holder's tax basis in the Senior Noteholder Subscription Right. In general, such loss would be a capital loss, long-term or short-term, depending upon whether the requisite holding period was satisfied.

Effect on Basis to U.S. Holders of Claims that Do Not Constitute a Security or that Receive Consideration that Does Not Constitute a Security

In the event that a holder's Senior Note Claim does not constitute a "security" of Halcón for U.S. federal income tax purposes, a holder of a Senior Note Claim will recognize gain or loss in an amount equal to the difference, if any, between (i) the sum of the aggregate fair market value of New Halcón Stock and any Senior Noteholder Subscription Rights received in satisfaction of its Senior Note Claims (other than any consideration received in respect of a Senior Note Claim for accrued but unpaid interest and possibly accrued OID), and (ii) the holder's adjusted tax basis in its Senior Note Claims (other than any tax basis attributable to accrued but unpaid interest and possibly accrued OID). A holder will have ordinary interest income to the extent of any consideration allocable to accrued but unpaid interest not previously included in income. In this instance, a holder of Senior Note Claims will have a tax basis in New Halcón Stock and Senior Noteholder Subscription Rights received in satisfaction of its Senior Note Claims equal to the fair market value of such interests and rights. A holder's holding period in which the New Halcón Stock are received pursuant to a taxable exchange should begin the day following the Effective Date.

To the extent any portion of the U.S. Holder's recovery is allocable to accrued but unpaid interest on a Claim that accrued while such holder held the Claim, such portion would be treated as interest income to the U.S. Holder.

Effect on Basis to U.S. Holders of Old Halcón Stock

According to the Plan, the Old Halcón Stock was cancelled on the Effective Date and the holders of such stock were entitled to receive cash, New Halcón Stock, Warrants, and/or the right to participate in the Existing Equity Rights Offering. The U.S. federal income tax consequences of the Plan to a holder of Existing Equity Interests depends, in part, on whether the Existing Equity Subscription Rights and Warrants constitute "securities" of Halcón for U.S. federal income tax purposes.

In a recapitalization exchange, a holder's tax basis in the New Halcón Stock, Existing Equity Subscription Rights and Warrants should equal such holder's adjusted tax basis in its Existing Equity Interest increased by any gain recognized in the exchange allocated among the securities based on their relative fair market value. In general, the holder's holding period for the New Halcón Stock, Existing Equity Subscription Rights and Warrants would include the holder's holding period for its Existing Equity Interests, except to the extent that the Existing Equity Subscription Rights and/or Warrants are not treated as a security, in which case, the holding

period for such Existing Equity Subscription Rights and/or Warrants should begin the day following the Effective Date.

In the case of a taxable exchange, a holder's tax basis in the New Halcón Stock, Existing Equity Subscription Rights and Warrants, if applicable, received in respect of its Claim should equal their respective fair market values on the Effective Date.

Form 8937, Part II, Line 16

To the extent that a Claim constituted a security for U.S. federal income tax purposes and the exchange for consideration in the Transaction constituted a reorganization pursuant to IRC Section 368(a), a U.S. Holder's aggregate tax basis in the New Halcón Stock and Senior Noteholder Subscription Rights received in respect of its Claims will generally equal such U.S. Holder's aggregate tax basis in its respective Claim surrendered in the Transaction, increased by any gain recognized and decreased by any boot received (*e.g.*, cash and the fair market value of other property).

The tax basis of the boot received by U.S. Holders (*e.g.*, cash) would equal the fair market value of the boot received.

To the extent a Claim did not constitute a security, the tax basis of any consideration received by a U.S. Holder of such Claim under the Plan would equal its fair market value.

Form 8937, Part II Line 18

To the extent the exchanges in the Transaction are treated as recapitalizations for U.S. federal income tax purposes, generally no loss may be recognized with respect to Senior Note Claims and Existing Equity Interests.

To the extent the exchanges are taxable, loss is recognizable in an amount generally equal to the excess of the holder's adjusted tax basis in the Claim relinquished over the aggregate fair market value of the New Halcón Stock and Senior Noteholder Subscription Rights received in respect of such Claim.