

EnSCORowan is not able to provide tax advice to shareholders. EnSCORowan encourages shareholders to consult a qualified tax advisor to determine taxation of dividends.

For shareholders who file a U.K. tax return

How are EnSCORowan dividends taxed?

Shareholders who file a U.K. tax return will receive dividends from a domestic corporation rather than a foreign corporation.

Does the dividend payment include the U.K. income tax credit?

The dividends listed on EnSCORowan's website are the dividends that are paid. For U.K. income tax purposes the dividends paid represent 90% of the taxpayer's taxable dividend income, with the remaining 10% being the tax credit. Therefore, the dividends paid are effectively net of the U.K. income tax credit.

Please be aware that the U.K. income tax credit may not be available to U.K. tax payers in all situations. Shareholders are encouraged to obtain advice from a qualified tax advisor to determine whether the U.K. tax credit is available to them.

For shareholders who file a U.S. tax return

How are EnSCORowan dividends taxed?

Shareholders who file a U.S. tax return will receive dividends from a foreign corporation rather than a domestic corporation. In general and subject to certain limited exceptions, dividends received from foreign corporations are foreign source income for foreign tax credit limitation purposes. For shareholders who file a U.S. tax return and claim a foreign tax credit, we recommend you begin your research by referring to the following resources:

- the U.S. Internal Revenue Code Sections 861 and 862 (sourcing of income) and Section 904 (foreign tax credit limitation) and the associated Treasury Regulations and other authorities under those sections.
- www.irs.gov including instructions for Form 1116 (Foreign Tax Credit) and Publication 514 (Foreign Tax Credit for Individuals).

Are EnSCORowan dividends considered Qualified?

For dividends to be Qualified, the company must be considered a Qualified Foreign Corporation and the shareholder must meet a Holding Period test. EnSCORowan is a Qualified Foreign Corporation. Whether the Holding Period test is met depends on facts and circumstances relating to a shareholder's ownership of EnSCORowan shares. Each shareholder is encouraged to consult a qualified tax advisor to determine whether the Holding Period test has been met.

For shareholders who file neither a U.K. tax return nor a U.S. tax return

Shareholders who file neither a U.K. tax return nor a U.S. tax return may also be subject to taxation upon the receipt of EnSCORowan dividends and are encouraged to obtain advice from a qualified tax advisor.