

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](#)

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 18, 2020
Print your name ▶ D. Lyle Williams Title ▶ Chief Financial Officer

Paid Preparer Use Only	Print/Type preparer's name John M. Dixon	Preparer's signature 	Date 9/18/20	Check <input type="checkbox"/> if self-employed	PTIN P01274298
	Firm's name ▶ Ernst & Young US LLP			Firm's EIN ▶ 34-6565596	
	Firm's address ▶ 2323 Victory Park, Dallas, TX 75219			Phone no. 214-969-8000	

Forum Energy Technologies, Inc.

EIN: 61-1488595

Date of Action: August 4, 2020

Attachment to Form 8937

The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code of 1986, as amended (the "Code"). This information is being provided pursuant to the requirements of Section 6045B of the Code and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations related to the effects of the Exchange. Holders of the Old Notes and the New Notes (each as defined below) should consult their own tax advisors regarding the particular tax consequences of the Exchange (as defined below) to them, including the applicability and effect of all U.S. federal, state and local and non-U.S. tax laws.

Form 8937, Part I, Box 10:

CUSIP number.

Old Notes (defined below): 34984V AB6

New Notes (defined below): 34984V AC4

Form 8937, Part II, Box 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.

On August 4, 2020 (the "Exchange Date"), Forum Energy Technologies, Inc. (the "Issuer"), completed an exchange of a portion of its \$328.1 million aggregate principal amount of 6.250% Senior Notes due 2021 (the "Old Notes") for newly issued 9.000% Convertible Senior Secured Notes due 2025 (the "New Notes"), or approximately \$315.5 million aggregate principal amount of New Notes (the "Exchange").

Holders of the Old Notes who validly tendered their Old Notes at or prior to July 31, 2020, ("the Consent Time") were eligible to receive \$1,000 principal amount of New Notes for each \$1,000 principal amount of Old Notes tendered for exchange (the "Total Exchange Consideration"), which includes additional consideration in the amount of \$50 in principal amount of New Notes per \$1,000 principal amount of Old Notes tendered for exchange (the "Consent Payment"). Holders tendering Old Notes after the Consent Time were not eligible to receive the Consent Payment and only received \$950 principal amount of New Notes for each \$1,000 principal amount of Old Notes tendered for exchange (the "Exchange Consideration" and, together with the Total Exchange Consideration, the "Settlement Consideration").

The Issuer paid an aggregate cash payment in the amount of \$3,500,000 (the "Aggregate Early Participation Payment") for the benefit of holders who validly tendered their Old Notes at or prior to July

31, 2020 "the Early Tender Time"), on a pro rata basis based on the principal amount of Old Notes so tendered. Each holder's pro rata portion of the Aggregate Early Participation Payment is hereinafter referred to as the "Early Participation Payment." Holders who tendered their Old Notes at or prior to the Early Tender Time were eligible to receive the Early Participation Payment in addition to the applicable Settlement Consideration.

The Issuer has determined that the Exchange constitutes a "significant modification" of the Existing Notes within the meaning of Treasury Regulation § 1.1001-3(e), resulting in a deemed exchange of the Old Notes for the New Notes and Early Participation Payment for U.S. federal income tax purposes.

Form 8937, Part II, Box 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.

The Issuer intends to take the position that the Exchange qualifies as a "recapitalization" within the meaning of Section 368(a)(1)(E) of the Code for U.S. federal income tax purposes. In order for the Exchange to qualify as a recapitalization for U.S. federal income tax purposes, the Old Notes and New Notes must each constitute "securities" of the Issuer for U.S. federal income tax purposes. The term "security" is not defined in the Code or in the Treasury Regulations issued thereunder and, as applied to debt obligations, the meaning of the term "security" is unclear.

Assuming that the Exchange is treated as a recapitalization, a holder of the Old Notes would recognize gain (but not loss) in an amount equal to the lesser of the holder's gain and the amount of any cash received in respect of the Early Participation Payment. A holder's aggregate tax basis in the New Notes generally would be the same as such holder's adjusted tax basis in the Old Notes immediately before the Exchange increased for gain recognized in respect of the Early Participation Payment and decreased for cash received in the Early Participation Payment.

If, contrary to the Issuer's position, the Exchange does not qualify as a recapitalization, then the Exchange will be a taxable disposition of the Old Notes for U.S. federal income tax purposes. In such case, a holder would generally recognize gain or loss for U.S. federal income tax purposes equal to the difference between the sum of the "issue price" of the New Notes and any cash received in the Early Participation Payment and the holder's adjusted tax basis in the Old Notes immediately before the Exchange. A holder's aggregate tax basis in the New Notes received should equal the issue price of the New Notes received by the holder.

Holders of the Old Notes should consult their own tax advisors regarding the possible classification of the Old Notes and New Notes as securities and the tax consequences of the Exchange to them.

Form 8937, Part II, Box 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

If the Exchange is treated as a recapitalization for U.S. federal income tax purposes (as described in Box 15 above), a holder's aggregate tax basis in the New Notes is equal to such holder's adjusted tax basis in

the Old Notes immediately before the Exchange, increased by any gain the holder recognized in respect of the Early Participation Payment, and decreased by any cash the holder received in respect of the Early Participation Payment.

If the Exchange is determined to be a taxable exchange (as described in Box 15 above), a holder's aggregate tax basis in the New Notes received generally should equal the issue price of the New Notes.

Form 8937, Part II, Box 17:

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

Sections 354, 356, 358, 368, 1001, 1012 and 1273 of the Code.

Form 8937, Part II, Box 18:

Can any resulting loss be recognized?

If the Exchange is treated as a recapitalization, then a holder of the Old Notes would generally not be permitted to recognize a loss on the Exchange.

If the Exchange is treated as a taxable disposition of Old Notes, then a holder may be eligible to recognize a loss to the extent such holder's adjusted basis in the Old Notes exceeds the amount realized in the Exchange. Due to the inherently factual nature of determining whether a loss is allowable for U.S. federal income tax purposes, holders are urged to consult their tax advisors regarding such determination.

Form 8937, Part II, Box 19:

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

The reportable tax year is the tax year that includes August 4, 2020. In the case of calendar-year taxpayers who participated in the Exchange, the reportable tax year is 2020.