

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 Form 8937 Appendix A](#)

Blank lined area for listing Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ [See Attached Form 8937 Appendix A](#)

Blank lined area for indicating if a resulting loss can be recognized.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See Attached Form 8937 Appendix A](#)

Blank lined area for providing other information necessary to implement the adjustment.

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 ▶ /s/ Geoff Stanford Date ▶ 04/25/2025

Print your name ▶ Geoff Stanford Title ▶ SVP & CAO

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.

KLX Energy Services Holdings, Inc.
FEIN: 36-4904146
Attachment to Form 8937
Report of Organizational 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 “Code”)¹, and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations related to the effects of the Notes Exchange (defined below) on certain securities. The information discussed in Form 8937 and this attachment does not constitute tax advice. This information does not take into account the specific circumstances of any noteholder or warrant holder (including holders that may be subject to special tax rules or that held the relevant notes or warrants as other than a capital asset). Holders should consult their own tax advisors regarding the U.S. federal income tax consequences of the Notes Exchange.

Part I

Lines 9 and 10: Classification and Description and CUSIP Number

Classification and Description (Line 9)	CUSIP Number (Line 10)
2018 Notes (defined below)	Rule 144A Notes: 48253LAA4 Regulation S Notes: U4949EAA0 IAI Notes: 48253LAB2
New Notes (defined below)	Rule 144A Notes: 48253LAD8 Regulation S Notes: U4949EAC6 IAI Notes: 48253LAE6
Warrants (defined below)	48253L114

Part II

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.

On March 12, 2025 (the “Closing Date”), pursuant to that certain Securities Purchase Agreement, dated as of March 7, 2025, by and among KLX Energy Services Holdings, Inc. (the “Company”) and the purchasers identified on the signature pages thereto (the “Purchasers”), certain holders

¹ Unless otherwise specified herein, all “section” references herein are to the Code.

(such exchanging holders, the “Exchanging Holders”) of the Company’s 11.50% Senior Secured Notes due 2025 (the “2018 Notes”) issued pursuant to that certain Indenture, dated as of October 31, 2018, by and among the Company, as issuer, the guarantors from time to time party thereto and Wilmington Trust, National Association, as trustee and as notes collateral agent (the “2018 Notes Indenture”), agreed to exchange (the “Notes Exchange”) each \$1,000 principal amount of 2018 Notes in exchange for the (1) issuance by the Company of \$1,000 principal amount of newly issued Senior Secured Floating Rate Cash/PIK Notes due 2030 (the “New Notes”), (2) the right pursuant to a warrant agreement to purchase 10.2222045141282 shares of common stock of the Company for nominal consideration (a “Warrant”) and (3) additional cash consideration equal to \$30.00 plus the amount of unpaid interest accrued on such 2018 Notes.

In addition, (i) concurrently with the Notes Exchange, certain Purchasers purchased the New Notes and Warrants for cash with a purchase price equal to \$970 for (1) \$1,000 principal amount of the New Notes and (2) a Warrant (the “Cash Purchase”) and (ii) the Company redeemed in full any remaining 2018 Notes and satisfied and discharged its obligations under the 2018 Notes and the 2018 Notes Indenture.

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.²

The Company has determined that the Notes Exchange is a “significant modification,” within the meaning of Treasury Regulation Section 1.1001-3, of the 2018 Notes for U.S. federal income tax purposes, and therefore the Notes Exchange is either a fully taxable transaction as described in Section 1001 of the Code or a recapitalization described in Section 368 of the Code with boot.

Issue Price of the New Notes

The Company intends to treat (i) the New Notes and (ii) Warrants as an investment unit for U.S. federal income tax purposes. The Company intends to take the position that the issue price of the investment unit is determined under Treasury Regulation Section 1.1273-2(a)(1) and, therefore, the issue price of the investment unit is equal to the first price at which a substantial amount of the investment unit is sold for money. Such issue price will be allocated between the New Notes and Warrants based on their relative fair market values to determine the issue price of the New Notes. Following this methodology, the Company intends to take the position that the issue price of each \$1,000 of principal amount of the New Notes is \$922.55 and the fair market value of the Warrants received per \$1,000 of principal amount of the New Notes is \$47.45.

Notes Exchange

The discussion below describes the U.S. federal income tax consequences associated with the potential characterization of the Notes Exchange as either a taxable exchange or a recapitalization with boot for U.S. federal income tax purposes. Whether and to the extent that all

² References to “U.S. Exchanging Holder” herein are intended to refer to an Exchanging Holder that is a United States person within the meaning of Section 7701(a)(30) of the Code.

or a portion of the Notes Exchange qualifies as a recapitalization, and the amount of any associated boot, depends on whether the 2018 Notes and the New Notes are treated as securities of the Company for U.S. federal income tax purposes.³ The term of the 2018 Notes was seven years, and the term of the New Notes is five years.⁴

Recapitalization with Boot

The discussion below assumes that the 2018 Notes are treated as securities for U.S. federal income tax purposes and, therefore, the Notes Exchange qualifies as a recapitalization with boot for U.S. federal income tax purposes. If the Notes Exchange is treated as a recapitalization with boot, no loss should be recognized by a U.S. Exchanging Holder.

Recapitalization with Boot – New Notes Treated as Securities

To the extent the New Notes are treated as securities of the Company for U.S. federal income tax purposes, a U.S. Exchanging Holder should recognize realized gain to the extent of the amount of cash received in exchange for its 2018 Notes (excluding any cash attributable to unpaid interest accrued on the 2018 Notes). The amount of realized gain on the Notes Exchange should equal the excess, if any, of (x) the sum of (I) the issue price of the New Notes, (II) the fair market value of Warrants and (III) the amount of cash (excluding any cash attributable to unpaid interest accrued on the 2018 Notes), in each case, received for such 2018 Notes over (y) such U.S. Exchanging Holder's adjusted basis in such 2018 Notes. A U.S. Exchanging Holder's tax basis in the New Notes and Warrants received should together equal its tax basis in the 2018 Notes exchanged therefor, increased by the amount of gain, if any, recognized and reduced by the amount of cash received (excluding any cash attributable to unpaid interest accrued on the 2018 Notes). A U.S. Exchanging Holder's holding period in the New Notes and Warrants would include the period during which the 2018 Notes were held.

³ Neither the Code nor the Treasury Regulations define the term "security" for this purpose, and the term has not been clearly defined by judicial decisions. Rather, whether a debt instrument is a security is based on all of the facts and circumstances, including the degree of participation and continuing interest in the affairs of the business and the extent of the proprietary interest of the debt instrument in the corporate assets. Most authorities have held that the term to maturity of the debt instrument is one of the most significant factors in determining whether a debt instrument is a security. In this regard, debt instruments with a term of ten years or more generally qualify as securities, debt instruments with a term between five and ten years may qualify as securities, and debt instruments with a term of less than five years generally do not qualify as securities.

⁴ To the extent that any amount received by a U.S. Exchanging Holder is attributable to unpaid interest accrued on such 2018 Note, the receipt of such amount should be taxable to the U.S. Exchanging Holder as ordinary interest income (to the extent not already taken into income by the U.S. Exchanging Holder).

Any gain attributable to accrued but unrecognized market discount would be subject to tax as ordinary income. Any market discount that accrued on such 2018 Notes (i.e., up to the time of the exchange) but was not recognized by the U.S. Exchanging Holder is carried over to the property received therefor and any gain recognized on the subsequent sale, exchange, redemption, or other disposition of the property is treated as ordinary income to the extent of the accrued, but not recognized, market discount.

Recapitalization with Boot – New Notes Not Treated as Securities

To the extent the New Notes are not treated as securities of the Company for U.S. federal income tax purposes, a U.S. Exchanging Holder should recognize realized gain (as determined above) to the extent of the amount of issue price of the New Notes plus any cash received in exchange for its 2018 Notes (excluding any cash attributable to unpaid interest accrued on the 2018 Notes). A U.S. Exchanging Holder's tax basis in the Warrants received should equal its tax basis in the 2018 Notes exchanged therefor, increased by the amount of gain, if any, recognized and reduced by the sum of (i) the issue price of the New Notes and (ii) the amount of cash, in each case, received for such 2018 Notes (excluding any cash attributable to unpaid interest accrued on the 2018 Notes). A U.S. Exchanging Holder's holding period in the Warrants would include the period during which the 2018 Notes were held. A U.S. Exchanging Holder's tax basis in the New Notes should equal the issue price of the New Notes and its holding period for the New Notes should begin on the day after the Notes Exchange.

Taxable Exchange

To the extent the 2018 Notes are not treated as securities of the Company for U.S. federal income tax purposes, the Notes Exchange should be treated as a taxable exchange, and each U.S. Exchanging Holder should recognize gain or loss equal to the difference between (x) the sum of (I) the issue price of the New Notes, (II) the fair market value of Warrants and (III) the amount of cash (excluding any cash attributable to unpaid interest accrued on the 2018 Notes), in each case, received in exchange for such 2018 Notes; and (y) such U.S. holder's adjusted basis in such 2018 Notes. Each U.S. Exchanging Holder will have an initial tax basis in each (i) \$1,000 of principal amount of the New Notes equal to its issue price described above and (ii) Warrant received in respect of such \$1,000 of principal amount of the New Notes equal to its fair market value described above.

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.

See response to Item 15 above.

Recapitalization with Boot

Recapitalization with Boot – New Notes Treated as Securities

If the Notes Exchange qualifies as a recapitalization with boot for U.S. federal income tax purposes and to the extent the New Notes are treated as securities of the Company for U.S. federal income tax purposes, a U.S. Exchanging Holder's tax basis in the New Notes and Warrants received should together equal its tax basis in the 2018 Notes exchanged therefor, increased by the amount of gain, if any, recognized and reduced by the amount of cash received (excluding any cash attributable to unpaid interest accrued on the 2018 Notes).

Recapitalization with Boot – New Notes Not Treated as Securities

In addition, if the Notes Exchange qualifies as a recapitalization with boot for U.S. federal income tax purposes and to the extent the New Notes are not treated as securities of the Company for U.S. federal income tax purposes, a U.S. Exchanging Holder's tax basis in the Warrants received should equal its tax basis in the 2018 Notes exchanged therefor, increased by the amount of gain, if any, recognized and reduced by the sum of (i) the issue price of the New Notes and (ii) the amount of cash, in each case, received for such 2018 Notes (excluding any cash attributable to unpaid interest accrued on the 2018 Notes) and a U.S. Exchanging Holder's tax basis in the New Notes should equal the issue price of the New Notes.

Taxable Exchange

If the Notes Exchange does not qualify as a recapitalization with boot (or other tax-deferred transaction) for U.S. federal income tax purposes, then such exchange would be a Section 1001 exchange, and a U.S. Exchanging Holder's initial tax basis in each \$1,000 of principal amount of the New Notes and in the Warrant received in respect of such \$1,000 of principal amount of the New Notes would be \$922.55 and \$47.45, respectively.

Line 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, 1272 and 1273.

Line 18: Can any resulting loss be recognized?

If the Notes Exchange is a recapitalization for U.S. federal income tax purposes, then no loss may be recognized by a U.S. Exchanging Holder on such exchange.

If the Notes Exchange is not a recapitalization (or other tax-deferred transaction) for U.S. federal income tax purposes and, accordingly, such exchange is a Section 1001 exchange, then it may result in a loss recognized by a U.S. Exchanging Holder to the extent (x) the sum of (I) the issue price of the New Notes, (II) the fair market value of Warrants and (III) the amount of cash (excluding any cash attributable to unpaid interest accrued on the 2018 Notes), in each case, received in exchange for such 2018 Notes is less than such U.S. Exchanging Holder's adjusted tax basis in the 2018 Notes exchanged therefor.

Line 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 U.S. Exchanging Holder's taxable year during which the Closing Date occurred (i.e., March 12, 2025).