Form **8937** (December 2011) Department of the Treasury Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-2224

Part I Reporting Issuer

1 Issuer's name Verso Corporation			2 Issuer's employer identification number (EIN) 75-3217389
3 Name of contact for additional information Keith Moore	4 Telephone No. of contact (937) 242-9180		5 Email address of contact keith.moore@versoco.com
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 8540 Gander Creek Drive			7 City, town, or post office, state, and Zip code of contact Miamisburg, OH 45342
8 Date of action July 15, 2016	9 Classification and description Common Stock and Warrants to Purchase Common Stock		
10 CUSIP number See Attached	11 Serial number(s)	12 Ticker symbol VRS (Class A Common Stock)	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

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 ▶ See Attached

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 ▶ See Attached

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 Attached

Part II **Organizational Action** (continued)

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

Sections 354, 356, 358 and 368.

18 Can any resulting loss be recognized? ▶ If the exchange of any Verso Claims for New Common Stock (and Plan Warrants, if applicable) is treated as a recapitalization, then no loss will be recognized with respect to those Verso Claims.

If the exchange of any NewPage Claims for New Common Stock is treated as a tax-free contribution under Section 351, then no loss will be recognized with respect to those NewPage Claims.

If the exchange of any Verso Claims or NewPage Claims for New Common Stock (and Plan Warrants, if applicable) is treated as a taxable exchange, then loss may be recognized depending on the Holders' basis in their Claims.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The adjustments to basis described herein will be taken into account in the tax year of the holder during which the Effective Date occurred.

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 ▶ Keith Moore Date ▶ 8/25/16

Print your name ▶ Keith Moore Title ▶ Director, Tax

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Robert Fisher	RF	8/25/16		P01974075
Firm's name ▶ O'Melveny & Myers LLP			Firm's EIN ▶	95-1066597
Firm's address ▶ 2765 Sand Hill Road, Menlo Park, CA 94025			Phone no.	(650) 473-2676

Part II, Line 10

CUSIP	Security
92531L207	Class A Common Stock
92531L306	Class B Common Stock
92531L116	Warrants

Part II, Line 14

On January 26, 2016, Verso Corporation ("Verso") and 26 affiliated debtors (together with Verso, the "Debtors") filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware (the "Court"). On June 23, 2016, the Court entered an order confirming the Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (the "Plan"). On July 15, 2016, the Plan became effective (the "Effective Date"). Terms not defined herein shall have the meaning assigned to them in the Disclosure Statement for Debtors' Third Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code, dated May 10, 2016.

On the Effective Date, certain of Debtors' existing creditors received 100% of the equity in Reorganized Verso (subject to dilution by the Plan Warrants, as defined below, and the Company's Management Incentive Plan) ("New Common Stock"). Holders of Allowed Verso First Lien Claims received 50% of Reorganized Verso's equity plus warrants to purchase an additional 5% of Reorganized Verso's equity ("Plan Warrants"), Holders of Allowed NewPage Roll-Up DIP Claims and Allowed NewPage Term Loan Claims, collectively, received 47% of Reorganized Verso's equity, Holders of Allowed Verso Senior Debt Claims received 2.85% of Reorganized Verso's equity, and Holders of Allowed Verso Subordinated Debt Claims received the remaining 0.15% of Reorganized Verso's equity. In each case, the New Common Stock was subject to dilution by the Plan Warrants and the Company's Management Incentive Plan. The Holders of other Claims did not receive securities in exchange for such Claims, and the Verso equity held by the existing equity holders was cancelled.

As a result of the transactions described in the previous paragraph (the "Transactions"), the following specific organizational actions affected the basis of Verso securities:

1. Allowed Verso First Lien Claims: Certain Holders of

- Verso debt under that certain Credit Agreement, dated as of May 4, 2012;
- Verso's 11.75% senior secured notes due 2019, issued pursuant to that certain indenture dated as of March 21, 2012; and
- Verso's 11.75% senior secured notes due 2019, issued pursuant to that certain indenture dated as of January 7, 2015 (the "Allowed Verso 2015 First Lien Notes Claims")

received New Common Stock and Plan Warrants in exchange for their Allowed Verso First Lien Claims.

2. Allowed Verso Senior Debt Claims: Certain Holders of

- Verso's 11.75% senior secured notes due 2019, issued pursuant to that certain indenture dated as of May 11, 2012;
- Verso's adjustable rate second priority senior secured notes due 2020, issued pursuant to that certain indenture dated as of August 1, 2014; and
- Verso's 8.75% second priority senior secured notes due 2019, issued pursuant to that certain indenture dated as of January 26, 2011

received New Common Stock in exchange for their Allowed Verso Senior Debt Claims.

3. Allowed Verso Subordinated Debt Claims: Certain Holders of:

- Verso's 11.375% senior subordinated notes due 2016, issued pursuant to that certain indenture dated as of August 1, 2006 (the "Allowed Verso 2016 Subordinated Unsecured Notes Claims"); and
- Verso's adjustable rate senior subordinated notes due 2020, issued pursuant to that certain indenture dated as of August 1, 2014

received New Common Stock in exchange for their Allowed Verso Subordinated Debt Claims.

4. Allowed NewPage Roll-Up DIP Claims: Certain Holders of NewPage debt under that certain Superpriority Senior Debtor-in-Possession Term Loan Agreement, dated as of January 26, 2016, received New Common Stock in full satisfaction of their Allowed NewPage Roll-Up DIP Claims.

5. Allowed NewPage Term Loan Claims: Certain Holders of NewPage debt under that certain First Lien Credit Agreement, dated as of February 11, 2014, received New Common Stock in exchange for their Allowed NewPage Term Loan Claims.

Part II, Line 15

Verso Claims

As described above, each holder of an Allowed Verso First Lien Claim, an Allowed Verso Senior Debt Claim or an Allowed Verso Subordinated Debt Claim (the "Verso Claims") received its Pro Rata share of the New Common Stock (and with respect to an Allowed Verso First Lien Claim, the Plan Warrants) allocated to such Claims under the Plan.

The exchange of Verso Claims for New Common Stock constituted a recapitalization to the extent that the Verso Claims constituted "securities" and the exchange otherwise satisfied the requirements of Section 368(a) of the Code. If the exchange of Verso Claims other than the Allowed Verso First Lien Claims for New Common Stock was a recapitalization, each Holder would take an aggregate tax basis in its New Common Stock issued in exchange for such Verso Claims that is equal to its aggregate tax basis in its surrendered Claims. If the exchange of Allowed Verso First Lien Claims for New Common Stock and Plan Warrants was a recapitalization, each Holder would take an aggregate tax basis in its New

Common Stock and Plan Warrants issued in exchange for such Allowed Verso First Lien Claims that is equal to its aggregate tax basis in its surrendered Claims, and the aggregate tax basis of each Holder's surrendered Claims will be allocated to its New Common Stock and Plan Warrants in proportion to their relative fair market values.

If the exchange of Verso Claims for New Common Stock was not a recapitalization, the exchange would be treated as a taxable exchange. Each Holder's tax basis in its New Common Stock (and Plan Warrants, if applicable) would be equal to its fair market value as of the Effective Date.

The Allowed Verso 2016 Subordinated Unsecured Notes Claims will likely qualify as securities, and therefore the exchange of the Allowed Verso 2016 Subordinated Unsecured Notes Claims for New Common Stock was likely a recapitalization. The Allowed Verso 2015 First Lien Notes Claims may not qualify as securities, and therefore the exchange of the Allowed Verso 2015 First Lien Notes Claims for New Common Stock and Plan Warrants may not have qualified as a recapitalization. The Debtors intend to take the position that the Verso Claims other than the Allowed Verso 2015 First Lien Notes Claims and the Allowed Verso 2016 Subordinated Unsecured Notes Claims will not be treated as securities, and therefore the exchange of Verso Claims other than the Allowed Verso 2015 First Lien Notes Claims and the Allowed Verso 2016 Subordinated Unsecured Notes Claims for New Common Stock (and Plan Warrants, if applicable) should not be treated as recapitalizations.

Holders of Verso Claims should consult their tax advisors to determine the tax consequences of the Transactions to them.

NewPage Claims

As described above, each Holder of an Allowed NewPage Roll-Up DIP Claim or an Allowed NewPage Term Loan Claim (the "NewPage Claims") received its Pro Rata share of the New Common Stock allocated to such Claims under the Plan. A taxable exchange of a NewPage Claims for New Common Stock would be treated in the same manner as a taxable exchange of a Verso Claim.

However, it is possible that the Holders of NewPage Claims could be treated as having exchanged their Claims for New Common Stock in a transaction governed by Section 351 of the Code. In that event, a Holder's tax basis in its New Common Stock would generally equal its tax basis in the Claim surrendered by such Holder, increased by the amount of any gain recognized upon the exchange.

The Debtors intend to take the position that New Common Stock exchanged for the NewPage Claims shall be deemed to have been transferred, directly or indirectly, by Reorganized Verso to NewPage, and such New Common Stock shall be deemed to have then been transferred by NewPage to the Holders of NewPage Claims in satisfaction of their Claims. On this basis, such Holders may take the position under applicable tax authority that the exchange was a taxable transaction to the Holders.

Holders of NewPage Claims should consult their tax advisors to determine the tax consequences of the Transactions to them.

Part II, Line 16

Recapitalization Treatment

To the extent that the exchange of the Verso Claims constituted a recapitalization as described above, the applicable Holder's aggregate basis in its New Common Stock (and Plan Warrants, if applicable) will generally equal such Holder's aggregate tax basis in the Claims surrendered. Other than with respect to Holders of Allowed Verso First Lien Claims, the Holder's basis in each Verso Claim surrendered will be divided by the number of shares of New Common Stock received in exchange therefor in order to determine the tax basis of each such share of New Common Stock.

Each share of New Common Stock had a fair market value as of the end of the day on July 18, 2016 (i.e., the first day on which the New Common Stock began trading) of approximately $12.675 and each Plan Warrant had a fair market value of approximately $2.42. Thus, each share of New Common Stock was worth approximately 5.2376 Plan Warrants. With respect to a Holder of an Allowed Verso First Lien Claim, the Holder's basis in each such Claim surrendered will therefore be allocated to the Holder's New Common Stock and Plan Warrants in a ratio of 5.2376 to 1.

Section 351 Transaction

To the extent the exchange of a NewPage Claim for New Common Stock was a contribution under Section 351, the Holder's basis in each NewPage Claim surrendered will be divided by the number of shares of New Common Stock received therefor to determine the tax basis of each such share of New Common Stock.

Taxable Transaction

To the extent that the exchange of the Verso Claims or the NewPage Claims for New Common Stock and, if applicable, Plan Warrants, constituted a taxable transaction, the holder will take a basis in each share of New Common Stock of $12.675 and each Plan Warrant of $2.42 (i.e., their respective fair market values as indicated above).