

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
STONE ENERGY CORPORATION		72-1235413	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
KARL D. MECHE	337-237-0410	INFORMATION@STONEENERGY.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
625 E. KALISTE SALOOM RD.		LAFAYETTE, LA 70508	
8 Date of action		9 Classification and description	
JUNE 10, 2016		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
861642106 & 861642304		SGY	

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 ▶ At the close of business on June 10, 2016, Stone Energy Corporation effected a 1-for-10 reverse stock split. Every 10 shares of Stone's issued and outstanding common stock were automatically converted into one share of common stock. No fractional shares will be issued if, as a result of the reverse stock split, a stockholder would otherwise have been entitled to a fractional share. Instead, each stockholder is entitled to receive a cash payment equal to the fraction of which such holder would otherwise have been entitled multiplied by the closing price per share on June 10, 2016.

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 ▶ Pursuant to the reverse stock split, every 10 shares of Stone's issued and outstanding common stock were automatically converted into one share of common stock. No fractional shares were issued if, as a result of the reverse stock split, a stockholder would otherwise been entitled to a fractional share. Instead, each stockholder is entitled to receive a cash payment equal to the fraction of which such holder would otherwise have been entitled multiplied by the closing price per share on June 10, 2016. Accordingly, a shareholder's tax basis in one share of Stone Energy Corporation's common stock after the reverse split should equal the shareholder's tax basis in ten shares of the common stock exchanged in the reverse stock split. Further, a shareholder's total tax basis in that shareholder's post-split shares immediately after the deemed sale of fractional shares should equal that shareholder's total tax basis in that shareholder's pre-split shares, less the tax basis allocated to that shareholder's fractional shares.

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 ▶ The reverse stock split involved the receipt by the shareholders of one share of common stock for every 10 shares of existing, or pre-split, common stock owned. The market value of the common stock was not applicable in determining the calculation of shareholders' tax bases in the shares received in the stock split.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
 IRC Section 368(a)(1)(E)
 IRC Section 354(a)(1)
 IRC Section 302(a)

18 Can any resulting loss be recognized? ▶ Yes, for non-exempt shareholders receiving a cash payment in the deemed sale of fractional shares, if the tax basis allocated to the fractional shares was greater than the cash payment received for those shares, subject to other relevant provisions of the Internal Revenue Code regarding loss recognition limitations.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year is the 2016 calendar year.

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 ▶ Karl D. Meche Date ▶ 6/10/2016

Print your name ▶ Karl D. Meche Title ▶ Director of Accounting & Treasurer

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.	