

Statement Pursuant to U.S. Treasury Regulation § 1.1273-2(f)(9)

On February 17, 2016 (the “**Issue Date**”), PetroQuest Energy, Inc. (the “**Company**”) consummated a transaction pursuant to which the Company exchanged aggregate principal amount of \$144,000,000 of the **Company’s** 10% Second Lien Secured Senior Notes due February 15, 2021 (the “**New Notes**”), cash of \$54,000,000 and 4,300,000 shares of common stock, par value \$0.001 per share, for \$214,400,000 aggregate principal amount of 10% Senior Notes due 2017 (“**Old Notes**”).

1. The **New Notes** are “traded on an established market” within the meaning of Treasury Regulations § 1.1273-2(f); and
2. The issue price of the **New Notes** as of the **Issue Date** is equal to 69.875% of the principal amount of the **New Notes**.
3. The value of the Company’s common stock on the exchange date is \$0.51 per share.

Pursuant to Treasury Regulations § 1.1273-2(f)(9), the Company’s determinations in this statement are binding on a holder of the New Convertible Notes unless such holder explicitly discloses that its determinations are different from the Company’s determinations on a timely filed U.S. federal income tax return for the taxable year that includes the acquisition date of the New Notes.