



Attn: Trading and Market Making / Legal and Compliance / Operations / Systems
UNIFORM PRACTICE ADVISORY (UPC #09-19) 02/28/2019
Petroquest Energy Inc (PQUEQ & PTQEQ)

Notice has been received that the above Company's Amended Plan of Liquidation Chapter 11, became effective on 02/08/2019. On the Effective Date, or as soon thereafter as reasonably practicable, all PetroQuest Interests (Common Stock & Preferred) will be extinguished and the Holders of PetroQuest Interests shall not receive or retain any distribution, property, or other value on account of their PetroQuest Interests. Also, Except to the extent that a Holder of an Allowed Prepetition Second Lien Notes Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for its Allowed Prepetition Second Lien Notes Secured Claim, each such Holder shall receive (i) its Pro Rata share of 100% of the New Equity under the Plan, subject to (x) dilution by the awards related to New Equity issued under the Management Incentive Plan and (y) the Put Option Premium, and (ii) its Pro Rata share of \$80 million in New Second Lien PIK Notes; such Pro Rata share of the New Equity and New Second Lien PIK Notes calculated by including the \$275,045,768 (plus any accrued and unpaid interest thereon payable through the Petition Date) of Prepetition Second Lien PIK Notes Claims as Claims that will share Pro Rata in 100% of New Equity, subject to (x) dilution by the awards related to New Equity issued under the Management Incentive Plan and (y) the Put Option Premium, and \$80 million in New Second Lien PIK Notes.

Furthermore Except to the extent that a Holder of an Allowed Prepetition Second Lien PIK Notes Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for its Allowed Prepetition Second Lien PIK Notes Secured Claim, each such Holder shall receive (i) its Pro Rata share of 100% of the New Equity under the Plan, subject to (x) dilution by the awards related to New Equity issued under the Management Incentive Plan and (y) the Put Option Premium, and (ii) its Pro Rata share of \$80 million in New Second Lien PIK Notes; such Pro Rata share of the New Equity and New Second Lien PIK Notes calculated by including the \$9,427,000 (plus any accrued and unpaid interest thereon payable through the Petition Date) of Prepetition Second Lien Notes Claims as Claims that will share Pro Rata in 100% of New Equity, subject to (x) dilution by the awards related to New Equity issued under the Management Incentive Plan and (y) the Put Option Premium, and \$80 million in New Second Lien PIK Notes. Distributions made to the

interest holders on the effective date are detailed in the table below . Please consult the company’s bankruptcy filings for thorough details.¹

Issuer	CUSIP	Security Description	Distribution of New Common Stock (QWST) Per \$1,000 PA	Distribution of New Notes Per \$1,000 PA
Petroquest Energy Inc	716748AJ7	2nd Lien Senior Secured Note	31.28598705	281.22202185
Petroquest Energy Inc	716748AE8	2nd Lien Senior Secured Note 144A	31.28598705	281.22202185
Petroquest Energy Inc	716748AK4	2nd Lien Senior Secured PIK Note	31.28594583	281.22199647

Members are reminded of their obligations under FINRA Rule 2111 if they continue to engage in transactions in the above security after the effective date.

Pursuant to FINRA Rule 11530, members are advised that, among other things, in contracts for securities where a public announcement or publication of general circulation discloses that the securities have been deemed worthless, deliveries shall consist a) the worthless securities or; or b) a Letter of Indemnity which shall grant the purchaser any rights and privileges which might accrue to the holders of the physical securities. Such deliveries shall operate to close-out the contract and shall be settled at the existing contract price pursuant to FINRA Rule 11530.

Questions regarding this notice should be directed to: FINRA Operations- 1-866-776-0800.

¹ See e.g., *In re: PETROQUEST ENERGY, INC. et al.*, Debtors | Chapter 11 Case No. 18-36322 (DRJ)(Jointly Administered) Debtors’ First Amended Chapter 11 Plan of Reorganization, as Immaterially modified as of January 28, 2019.