

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name  <b>W&amp;T Offshore, Inc.</b>		2 Issuer's employer identification number (EIN)  <b>72-1121985</b>	
3 Name of contact for additional information  <b>Ron Klein</b>	4 Telephone No. of contact  <b>1 (713) 297 8016</b>	5 Email address of contact  <b>rklein@wtoffshore.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  <b>Nine Greenway Plaza, Suite 300</b>		7 City, town, or post office, state, and Zip code of contact  <b>Houston, TX, US 77046-0908</b>	
8 Date of action  <b>September 7, 2016</b>		9 Classification and description  <b>Exchange of outstanding debt for new debt and common stock</b>	
10 CUSIP number  <b>See Attached</b>	11 Serial number(s)  <b>Not Applicable</b>	12 Ticker symbol  <b>See Attached</b>	13 Account number(s)  <b>Not Applicable</b>

**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 ▶ **On September 2, 2016 W&T Offshore, Inc. (the "Company") announced it accepted for exchange (the "Exchange") of 78.9% of the then outstanding \$900,000,000 aggregate principal amount of the 8.500% Senior Notes due 2019 (the "2019 Notes") for (i) Company common stock (the "Shares"), ii) principal of new 9.00% / 10.75% Senior Second Lien PIK Toggle Notes due 2020 (the "Second Lien Notes"), and (iii) principal of new 8.50% / 10.00% Senior Third Lien PIK Toggle Notes due 2021 (the "Third Lien Notes"). The Exchange was finalized and executed on September 7, 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 ▶ **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 ▶ See Attached

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**18** Can any resulting loss be recognized? ▶ See Attached

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attached

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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 ▶ John D. Gibbons Date ▶ 10-20-2016  
Print your name ▶ John D. Gibbons Title ▶ SVP & CFO

<b>Paid Preparer Use Only</b>	Print/Type preparer's name Preston Calcote	Preparer's signature <u>Preston Calcote</u>	Date 10/20/16	Check <input type="checkbox"/> if self-employed	PTIN P00242217
	Firm's name ▶ Ernst & Young U.S. LLP			Firm's EIN ▶ 34-6565596	
	Firm's address ▶ 1401 McKinney St. Suite 1200 Houston, TX 77010			Phone no. 713-750-1500	

# W&T Offshore, Inc.

**EIN: 72-1121985**

## Attachment to Form 8937, Report of Organizational Action Affecting Basis of Securities

### Form 8937, Part I, Line 10 and Line 12

Description	CUSIP #	Ticker Symbol
8.5% Senior Second Lien Notes due 2019	92922PAC0	WTI.AC
Company's common stock, par value \$0.00001 per share	92922P106	WTI
9.00% / 10.75% Senior Second Lien PIK Toggle Notes due 2020	92922PAG1	N/A
8.50% / 10.00% Senior Third Lien PIK Toggle Notes due 2021	92922PAJ5	N/A

### Form 8937, Part II, Line 15

On September 2, 2016 (the "Effective Date"), W&T Offshore, Inc. (the "Company") announced that it had accepted for exchange (the "Exchange") \$710,171,000, or approximately 78.9% of the then outstanding \$900,000,000 aggregate principal amount of the 8.500% Senior Notes due 2019 (the "2019 Notes") that were validly tendered (and not validly withdrawn) by 5:00 p.m., New York City time, on September 1, 2016 for (i) 60,435,544 shares of the Company's common stock, par value \$0.00001 per share (the "Shares"), (ii) \$159,763,000 aggregate principal amount of new 9.00% / 10.75% Senior Second Lien PIK Toggle Notes due 2020 (the "Second Lien Notes") and (iii) \$142,031,000 aggregate principal amount of new 8.50%/10.00% Senior Third Lien PIK Toggle Notes due 2021 (the "Third Lien Notes," together with the new "Second Lien Notes", the "New Notes" and, the New Notes together with the Shares, the "New Securities") pursuant to its previously announced Exchange Offer and consent solicitation, which commenced on July 25, 2016.

The Company does not have information with respect to any unsecured holders' tax basis or holding period in the 2019 Notes. The Company is taking the position that the 2019 Notes qualify as securities for US federal income tax purposes.

The Company is taking the position that the exchange of the Shares and New Notes (as applicable) for the 2019 Notes will qualify as a recapitalization under Section 368(a)(1)(E) of the Internal Revenue Code. However, holders of the Shares and New Notes should consult a tax professional to determine their individual tax consequences, as the tax consequences may vary between individuals.

### **Summary of property exchanged in the recapitalization and the respective exchange ratios:**

Issuer	Security Description	CUSIP	Exchange Ratio per \$1,000 of Principal Amount
W&T Offshore, Inc.	8.5% Senior Second Lien Notes due 2019	92922PAC0	N/A

<b>Issuer</b>	<b>Security Description</b>	<b>CUSIP</b>	<b>Exchange Ratio per \$1,000 of Principal Amount</b>
W&T Offshore, Inc.	Company's common stock, par value \$0.00001 per share	92922P106	85.1
W&T Offshore, Inc.	9.00% / 10.75% Senior Second Lien PIK Toggle Notes due 2020	92922PAG1	225
W&T Offshore, Inc.	8.50%/10.00% Senior Third Lien PIK Toggle Notes due 2021	92922PAJ5	200

**Form 8937, Part II, Line 16**

Assuming the recapitalization qualifies as a recapitalization under section 368(a)(1)(E) of the Internal Revenue Code, a U.S holder's aggregate tax basis in the New Securities (other than any New Securities that are attributable to accrued but unpaid interest) received in exchange for the 2019 Notes will equal his or her adjusted tax basis in the 2019 Notes prior to the Exchange. As a result of the Exchange, each holder should allocate their tax basis in the 2019 Notes based on the relative FMV of the New Securities received on the date of the Exchange.

The New Notes may be treated as issued with Original Issue Discount ("OID") if the stated redemption price at maturity is more than the issue price of the new debt instrument. The stated redemption price at maturity of the New Notes will equal their stated principal amount. The issue price of the New Notes will be its fair market value on the date of the deemed exchange. The Company is taking the position that the FMV of the New Notes is less than the stated redemption price on the date of the Exchange. Thus, the New Notes will be treated as having been issued with OID.

Each holder should consult with his or her tax advisor with respect to the basis in this transaction based on his or her specific circumstances.

**Form 8937, Part II, Line 17**

Section 354(a), Section 358, Section 368(a)(1)(E), and Section 1001.

**Form 8937, Part II, Line 18**

Generally, no loss can be recognized for US federal income tax purposes with regard to the exchange of the 2019 Notes for New Securities, assuming the Exchange qualifies as a tax-free recapitalization under Section 368(a)(1)(E) of the Internal Revenue Code.

**Form 8937, Part II, Line 19**

The Exchange occurred on September 7, 2016 and thus with respect to calendar year taxpayers making basis adjustments, the reportable tax year is 2016. Creditors and shareholders should consult their tax advisor regarding the application of the Internal Revenue Code to a particular circumstance.