

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)	
Sabine Oil & Gas Holdings Inc.		81-3110649	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Michael Magilton	832-242-9600	mmagilton@sabineoil.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	
1415 Louisiana, Suite 1600		Houston, Texas 77002	
8 Date of action		9 Classification and description	
August 11, 2016		Debt exchanged for cash, new debt, new common stock and warrants	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	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 ▶ Pursuant to the Second Amended Joint Chapter 11 Plan of Reorganization ("the Plan") of Sabine Oil & Gas Corporation ("Sabine") and its Debtor Affiliates, Sabine implemented restructuring transactions. By order of the bankruptcy court, the common stock held by the Sabine shareholders were cancelled for no consideration. Allowed RBL Secured Claims were settled for cash, the New Exit Revolver Credit Facility, the New Second Lien Credit Facility and new Sabine common stock. Allowed Second Lien Claims were settled for new Sabine common stock, Tranche 1 Warrants in Sabine and Tranche 2 Warrants in Sabine. Allowed Senior Notes Claims, and General Unsecured Claims were settled for new Sabine common stock and Tranche 2 Warrants in Sabine. Each share of Sabine common stock was then converted into one share of Sabine Oil & Gas Holdings Inc. common stock and Sabine warrants were exchanged for newly-issued Sabine Oil & Gas Holdings Inc. ("Holdings") warrants.

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 ▶ RBL Secured Claim holder's basis in its new securities should equal its basis in its RBL Secured Claim, increased by gains recognized and reduced by cash received. This adjusted basis should be allocated 2.11% to such holder's share of the New Exit Facility Revolver, 31.62% to the new Second Lien Facility and 66.27% to the new Sabine common stock. A Second Lien Claim holder's basis in its new Sabine stock, Sabine Tranche 1 and Tranche 2 Warrants, should equal its basis in its Second Lien Claim, allocated 33.15% to such holder's share of the new Sabine common stock, 57.05% to the Tranche 1 Warrants and 9.80% to the Tranche 2 Warrants. A Senior Notes Claim holder's basis in its new Sabine common stock or Tranche 2 Warrants should equal its basis in such Senior Note Claim, allocated 25.58% to such holder's share of the new Sabine common stock and 74.42% to the Tranche 2 Warrants. A General Unsecured Claim holder's basis in its new Sabine common stock or Tranche 2 Warrants should equal their fair market value, estimated to be \$48.25 per share of the new Sabine common stock and \$25.37 for each Tranche 2 Warrant. Following the exchange of Sabine common stock and warrants for common stock and warrants of Holdings, a shareholder's tax basis in one common share of Sabine should equal the tax basis of one common share of Holdings and the shareholders tax basis of each Warrant of Sabine will equal the tax basis of each Warrant of Holdings.

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 ▶ To the extent market values of securities were relevant, they were determined in accordance with the Plan values, as set forth in the Disclosure Statement for Second Amended Joint Chapter 11 Plan of Reorganization of Sabine Oil & Gas Corporation and its Debtor Affiliates.

Part II Organizational Action (continued)

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

Section 368(a)(1)(E)

Section 354(a)(1)

18 Can any resulting loss be recognized? ▶ No

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable 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 ▶ *MOMagilton* Date ▶ 9/23/16

Print your name ▶ Michael Magilton Title ▶ SVP and CFO

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.	