

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

| | | | |
|--|---|---|----------------------|
| 1 Issuer's name JONES ENERGY, INC. | | 2 Issuer's employer identification number (EIN) 80-0907968 | |
| 3 Name of contact for additional information EVAN HOOD | 4 Telephone No. of contact 512-328-2953 | 5 Email address of contact IR@JONESENERGY.COM | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 807 LAS CIMAS PARKWAY; SUITE 350 | | 7 City, town, or post office, state, and Zip code of contact AUSTIN, TX 78746 | |
| 8 Date of action 2/15/2017 | 9 Classification and description DIVIDENDS PAID ON JONES ENERGY 8.0% SERIES A CONVERTIBLE PREFERRED STOCK | | |
| 10 CUSIP number 48019R207 | 11 Serial number(s) | 12 Ticker symbol N/A | 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 ▶ **ON FEBRUARY 15, 2017, JONES ENERGY, INC. ("THE COMPANY"), PAID A CASH DIVIDEND OF \$1.00 FOR EACH OUTSTANDING SHARE OF 8.0% SERIES A CONVERTIBLE PREFERRED STOCK TO SHAREHOLDERS OF RECORD ON FEBRUARY 1, 2017.**

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 ▶ **THE SHAREHOLDER'S BASIS IN ONE (1) SHARE OF 8.0% SERIES A CONVERTIBLE PREFERRED STOCK IS REDUCED BY \$1.00.**

AT THIS TIME, BASED ON REASONABLE ASSUMPTIONS BY THE COMPANY, THE DISTRIBUTIONS MADE DURING 2017 ARE EXPECTED TO BE A NON-DIVIDEND DISTRIBUTION AND TREATED AS A RETURN OF CAPITAL. A RETURN OF CAPITAL WILL BE APPLIED AGAINST THE SHAREHOLDER'S BASIS UNDER INTERNAL REVENUE CODE SECTION 301(c)(2) IN SHARES OF THE COMPANY'S 8.0% SERIES A CONVERTIBLE PREFERRED STOCK. THE COMPANY IS NOT EXPECTED TO HAVE ANY EARNINGS AND PROFITS IN 2017 BASED ON REASONABLE ASSUMPTIONS.

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 FEBRUARY 15, 2017 CASH DISTRIBUTION REDUCES THE SHAREHOLDER'S BASIS IN THE ISSUER'S SECURITY. THIS TREATMENT WILL BE REPORTED TO SHAREHOLDERS ON 2017 FORM 1099-DIV.**

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 SECTIONS 301(c) AND 316(a)

18 Can any resulting loss be recognized? ▶ NO

19 Provide any other information necessary to implement the adjustment, such as the reportable tax 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 ▶  Date ▶ Jan 22, 2018

Print your name ▶ ROBERT J BROOKS Title ▶ EVP AND CHIEF FINANCIAL OFFICER

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. | |