ANSWERS TO FREQUENTLY ASKED QUESTIONS ON THE TAX CONSEQUENCES TO FORMER STOCKHOLDERS OF COMPLETE PRODUCTION SERVICES, INC.

Overview

Effective on February 7, 2012, pursuant to a merger of Complete Production Services, Inc. ("Complete") with and into a wholly-owned subsidiary of Superior Energy Services, Inc. ("Superior") constituting a reorganization described in Section 368 of the Internal Revenue Code, stockholders of Complete became entitled to receive 0.945 of a share of common stock of Superior, plus $7 in cash, in exchange for each share of common stock of Complete owned. In lieu of issuing fractional shares, Complete stockholders received cash in an amount equal to such fractional amount multiplied by $27.46, which constitutes the average closing market price on the New York Stock Exchange of a share of Superior common stock for the five consecutive trading days (January 26th – 27th, January 30th – February 1st) immediately preceding the third trading day before the closing of the merger (February 2nd).

The "Frequently Asked Questions" addressed below are intended to provide general information and examples illustrating how to calculate, for U.S. federal income tax purposes, taxable gains on the merger consideration received by Complete stockholders, as well as the tax basis of the shares of Superior common stock received as a result of the merger. This information is with respect to individuals who are citizens or residents of the United States, purchased all of their shares of Complete common stock for cash and held these shares as a capital asset (generally, for investment purposes). This information does not address any special tax rules that may apply (including, but not limited to shares, received as compensation or the alternative minimum tax), nor does it address the consequences of any state, local or non-U.S. tax laws. This information does not apply to any shares held in tax-deferred accounts, such as 401(k) or IRA accounts.

Important Notice

The information and examples provided in the next section are not meant to provide you with tax advice and you may not rely upon it. Your tax consequences depend on your individual circumstances and could differ significantly from those outlined in this discussion. You should consult your tax advisor regarding specific tax consequences of the merger transaction to you and your tax circumstances. This information is for illustrative purposes only and does not replace the discussion of tax consequences contained on pages 11 and 84-87 of the joint proxy statement/prospectus of Superior and Complete dated January 6, 2012. Copies of this joint proxy statement/prospectus can be obtained by visiting Superior's website located at www.superiorenergy.com. Click on Investor Relations, SEC Filings and type "Complete Production" or "424B3" in the keyword search function. Alternatively, click on this link: http://ir.superiorenergy.com/phoenix.zhtml?c=97570&p=irol-SECText&TEXT=aHR0cDovL2lyLmludC53ZXN0bGF3YnVzaW5lc3MuY29tL2RvY3VtZW50L3YxLzAwMDA5NTAxMjMtMTItMDAwMjk3L3htbA%3d%3d

Frequently Asked Questions

1. Will I be taxed on the cash and/or stock that I receive as a result of the merger transaction?

   In general, the receipt of shares of Superior common stock will be tax-free, but all or a portion of the cash you receive (including cash in lieu of fractional shares) will be taxable to the extent that you must recognize gain on the transaction (as described in Number 2 below). Cash received in the merger transaction is generally treated as being received in exchange for shares of Complete common stock given up and any taxable gain will normally be treated as capital gain. Under certain circumstances more fully described on pages 84-87 of the joint proxy statement/prospectus dated January 6, 2012, however, the cash received by an exchanging Complete shareholder may be treated as a dividend.

You should consult your tax advisor to determine the U.S. federal income tax consequences of the merger transaction to you based upon your individual tax circumstances, as well as any other consequences of U.S., state, local and non-U.S. tax laws.

2. How do I calculate how much gain I must recognize as a result of the merger transaction?

   The gain you will recognize, if any, is determined by first calculating your gain realized. The amount of gain realized is equal to the fair market value of the shares of Superior common stock received plus the amount of cash you receive (including cash in lieu of fractional shares), minus your tax basis in the shares of Complete common stock exchanged in the merger transaction. The gain recognized is determined by then comparing which amount is less – the cash you received (including cash in lieu of fractional shares) or the gain realized (see Example 1).

   See FAQ 5 related to fractional shares.

   Your gain recognized will generally be a capital gain, and will be long-term or short-term depending upon your holding period of the exchanged shares of Complete common stock. The examples on the following pages illustrate the calculation of gain recognized as a result of the merger transaction; however, you should consult your tax advisor to determine your individual tax consequences.

3. What is the fair market value of the shares of Superior common stock received in the merger transaction?

   The fair market value of the shares of Superior common stock you receive is $30.90 per share which was the closing market price of Superior's common stock on the New York Stock Exchange on the effective date of the merger, February 7, 2012.

4. What will my tax basis be for any shares of Superior common stock that I receive as a result of the merger transaction?

   The aggregate tax basis of the shares of Superior common stock that you receive in the merger transaction will equal the aggregate tax basis of the shares of Complete common stock you held at the time of the merger transaction, increased by the amount of any gain you recognized as a result of the merger transaction and decreased by the amount of any cash you received in the merger transaction. To determine the per share tax basis of the shares of Superior common stock you receive, divide the aggregate tax basis by the total number of shares you receive. The holding period of the Superior shares received by you pursuant to the merger transaction should include the holding period of the shares of Complete common stock exchanged by you in the merger transaction.

5. How should the gain be calculated on the fractional shares?

Fractional shares otherwise issuable pursuant to the merger transaction will be treated as if such shares were issued and then redeemed by Superior. You will generally recognize capital gain or loss equal to the difference between the cash received in lieu of that fractional share of Superior common stock and the portion of your adjusted tax basis in the shares of Complete common stock exchanged that is allocable to that fractional share of Superior common stock.

Examples

The examples below are for illustrative purposes only. The prices for shares of Complete common stock are hypothetical. You should consult your tax advisor to determine the U.S. federal income tax consequences of the merger transaction to you based upon your individual tax circumstances, as well as any other consequences of U.S., state, local and non-U.S. tax laws.

Example 1

1,000 shares of Complete common stock were acquired by Holder 1 on January 4, 2010 for $14.48 each or $14,480.00 total (excluding broker fees).

On February 7, 2012, Holder 1 became entitled to receive 0.945 shares of Superior common stock plus $7.00 for each share of Complete common stock held. Holder 1 receives 945 shares of Superior common stock plus $7,000.00 in exchange for the Complete shares exchanged.

- The value of the Superior shares received is $29,200.50 (945 shares received times $30.90 per share).
- The gain realized is $21,720.50 ($29,200.50 fair market value of Superior shares received, plus $7,000.00 cash received, minus $14,480.00 basis in the Complete shares exchanged).
- The gain recognized is $7,000.00 (lesser of $7,000.00 cash received or $21,720.50 gain realized).
- Holder 1's basis in the shares of Superior common stock received is $14,480.00 ($14,480 basis in the Complete shares exchanged, plus $7,000.00 gain recognized, less $7,000.00 cash received).
- Holder 1 reports a $7,000.00 long-term capital gain because the Complete shares were held for more than one year prior to the effectiveness of the merger transaction.

Example 2

2,000 of Complete common stock were acquired by Holder 2 on November 29, 2011 for $32.67 each or $65,340.00 total (excluding broker fees).

On February 7, 2012, Holder 2 became entitled to receive 0.945 shares of Superior common stock plus $7.00 for each share of Complete common stock held. Holder 2 receives 1,890 shares of Superior common stock plus $14,000.00 in exchange for the Complete shares exchanged.

- The value of the Superior shares received is $58,401.00 (1,890 shares received times $30.90 per share).

- The gain realized is $7,061.00 ($58,401.00 fair market value of Superior shares received, plus $14,000.00 cash received, minus $65,340.00 basis in the Complete shares exchanged).
- The gain recognized is $7,061.00 (lesser of $14,000.00 cash received or $7,061.00 gain realized).
- Holder 2's basis in the shares of Superior common stock received is $58,401.00 ($65,340.00 basis in the Complete shares exchanged, plus $7,061.00 gain recognized, less $14,000 cash received).
- Holder 2 reports a $7,061.00 short-term capital gain because the Complete shares were held for less than one year prior to the effectiveness of the merger transaction.

<u>Treasury Department Circular 230</u>

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