

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

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1 Issuer's name</b> FS Energy and Power Fund			<b>2 Issuer's employer identification number (EIN)</b> 27-6822130		
<b>3 Name of contact for additional information</b> Edward T. Gallivan, Jr.		<b>4 Telephone No. of contact</b> 215-220-4531		<b>5 Email address of contact</b> Ted.Gallivan@FSInvestments.com	
<b>6 Number and street (or P.O. box if mail is not delivered to street address) of contact</b> 201 Rouse Boulevard			<b>7 City, town, or post office, state, and ZIP code of contact</b> Philadelphia, PA 19102		
<b>8 Date of action</b> December 31, 2017		<b>9 Classification and description</b> Non-taxable return of capital distributions to shareholdres for 2017 calendar year			
<b>10 CUSIP number</b> 30264D109	<b>11 Serial number(s)</b>	<b>12 Ticker symbol</b>	<b>13 Account number(s)</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 ▶ In January 2018, FS Energy and Power Fund (the "Fund") issued its 2017 Form 1099-DIV, Dividends and Distributions, to shareholders of the Fund. Non-taxable return of capital distributions represented approximately 0.5% of total distributions for the year ended December 31, 2017. The percentage of non-taxable distributions of approximately 0.5% was applied to each distribution paid during the calendar year ended 2017. The sources of the non-taxable distribution are prior year distributions received from a partnership that were not backed by earnings and profits and a distribution paid to the fund by a subsidiary of the fund due to a taxable recognition event from an underlying portfolio company. The source of the non-taxable distribution is not from investor proceeds or borrowings.

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**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 non-taxable return of capital distributions paid to shareholders who received all of the distributions paid during the 2017 calendar year results in a reduction in basis of \$0.0036049 per share. For 2017, the amount representing return of capital of the monthly distribution was \$0.0003004 per share.

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**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 shareholder's basis after the non-taxable return of capital distributions is reduced by the per-share amount of \$0.0036049 as noted above for shareholders who received all of the distributions paid during the calendar year ended 2017 and a smaller amount for shareholders who held shares less than a full year based on the description above listed on 15.

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**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Internal Revenue Code Section 301 and Section 316.

Blank lines for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ No loss is recognized by the shareholders at the time the non-taxable return of capital distributions are received. The shareholder's cost basis should be adjusted to reflect the return of capital distributions which may affect the gain or loss recognized by the shareholder on subsequent disposition of shares.

Blank lines for providing details regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The non-taxable return of capital distribution information provided above was reflected on the shareholder's form 1099-DIV in Box 3, nondividend distributions, to the extent the form was applicable for the shareholder for the 2017 calendar year.

Blank lines for providing other necessary information for the adjustment.

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 ▶ *Edward T. Gallivan, Jr* Date ▶ 4/17/18

Print your name ▶ Edward T. Gallivan, Jr Title ▶ Chief Financial Officer

<b>Paid Preparer Use Only</b>	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.