

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| OMB APPROVAL | |
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|--|---|--|
| 1. Name and Address of Reporting Person* <u>Steel Excel Inc.</u> (Last) (First) (Middle) 1133 WESTCHESTER AVENUE SUITE N222 (Street) WHITE PLAINS NY 10604 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>Forbes Energy Services Ltd. [FES]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below) |
| | 3. Date of Earliest Transaction (Month/Day/Year) 03/07/2016 | |
| | 4. If Amendment, Date of Original Filed (Month/Day/Year) | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|--------------------------------------|--|--------------------------------|---|---|------------|---------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock, \$0.04 par value ⁽¹⁾ | 03/07/2016 | | S | | 43,142 | D | \$0.333 | 3,228,376 | D ⁽²⁾ | |
| Common Stock, \$0.04 par value ⁽¹⁾ | 03/08/2016 | | S | | 60,735 | D | \$0.325 | 3,167,641 | D ⁽²⁾ | |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|--|--|-----------------|---|--|--|---|--|
| | | | | | | Date Exercisable | Expiration Date | | | | | |

1. Name and Address of Reporting Person*
Steel Excel Inc.
 (Last) (First) (Middle)
 1133 WESTCHESTER AVENUE
 SUITE N222
 (Street)
 WHITE PLAINS NY 10604
 (City) (State) (Zip)

1. Name and Address of Reporting Person*
SPH Group Holdings LLC
 (Last) (First) (Middle)
 C/O STEEL PARTNERS HOLDINGS L.P.
 590 MADISON AVENUE, 32ND FLOOR
 (Street)
 NEW YORK NY 10022
 (City) (State) (Zip)

1. Name and Address of Reporting Person*
SPH Group LLC

(Last) (First) (Middle)

C/O STEEL PARTNERS HOLDINGS L.P.
590 MADISON AVENUE, 32ND FLOOR

(Street)
NEW YORK NY 10022

(City) (State) (Zip)

1. Name and Address of Reporting Person*

Steel Partners Holdings GP Inc.

(Last) (First) (Middle)

590 MADISON AVENUE
32ND FLOOR

(Street)
NEW YORK NY 10022

(City) (State) (Zip)

1. Name and Address of Reporting Person*

STEEL PARTNERS HOLDINGS L.P.

(Last) (First) (Middle)

590 MADISON AVENUE, 32ND FLOOR

(Street)
NEW YORK NY 10022

(City) (State) (Zip)

Explanation of Responses:

1. This Form 4 is filed jointly by Steel Excel Inc., Steel Partners Holdings L.P. ("Steel Holdings"), SPH Group LLC ("SPHG"), SPH Group Holdings LLC ("SPHG Holdings") and Steel Partners Holdings GP Inc. ("Steel Holdings GP").

2. Shares of Common Stock owned directly by Steel Excel Inc. SPHG Holdings owns approximately 58% of the outstanding shares of Common Stock of Steel Excel Inc. Steel Holdings owns 99% of the membership interests of SPHG. SPHG is the sole member of SPHG Holdings. Steel Holdings GP is the general partner of Steel Holdings, the managing member of SPHG and the manager of SPHG Holdings. Accordingly, each of Steel Holdings, SPHG, SPHG Holdings and Steel Holdings GP may be deemed to beneficially own the shares of Common Stock of the Issuer owned directly by Steel Excel Inc. Each of Steel Holdings, SPHG, SPHG Holdings and Steel Holdings GP disclaims beneficial ownership of the shares of Common Stock of the Issuer owned directly by Steel Excel Inc. except to the extent of their pecuniary interest therein.

By: Steel Excel Inc., By: /s/
James F. McCabe, Jr., Chief 03/09/2016
Financial Officer

By: SPH Group Holdings LLC,
By: Steel Partners Holdings GP
Inc., Manager, By: /s/ James F. 03/09/2016
McCabe, Jr., Chief Financial
Officer

By: SPH Group LLC, By: Steel
Partners Holdings GP Inc.,
Managing Member, By: /s/ 03/09/2016
James F. McCabe, Jr., Chief
Financial Officer

By: Steel Partners Holdings GP
Inc., By: /s/ James F. McCabe, 03/09/2016
Jr., Chief Financial Officer

By: Steel Partners Holdings
L.P., By: Steel Partners
Holdings GP Inc., General 03/09/2016
Partner, By: /s/ James F.
McCabe, Jr., Chief Financial
Officer

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.