



**THE FOUNDATION  
FOR SECURE  
MARKETS**

#48139

**DATE: JANUARY 8, 2021**

**SUBJECT: LONESTAR RESOURCES US INC. – CONTRACT ADJUSTMENT**  
**OPTION SYMBOL: 11/30/20 - LONEQ remained LONEQ**  
**12/1/20 - LONEQ changed to LONQ1**

**DATE: 11/30/20**  
**\*\*\* UPDATE \*\*\***

On November 12, 2020, the United States Bankruptcy Court for the Southern District of Texas Houston Division confirmed the Joint Prepackaged Plan of Reorganization (“Plan”) for Lonestar Resources US Inc. and its Affiliate Debtors. The Plan became effective on November 30, 2020, and all existing LONEQ shares were canceled. LONEQ shareholders are entitled to receive a Pro Rata portion of 1% of the New Equity Interests Pool, as described in the plan. Fractional shares will be rounded to the nearest whole share, with fractional shares less than 0.5 rounding down and fractional shares equal to or greater than 0.5 rounding up.

**Because fractional share amounts less than 0.5 will be rounded down, LONQ1 options will not be adjusted to call for the delivery of LONEQ shares ( $100 \times 0.00394083 = 0.394083$ , which rounds down to 0).**

**Note:** Expiration dates of LONQ1 options will not be accelerated under OCC Rule 807.

### **CONTRACT ADJUSTMENT**

Effective January 8, 2021, existing LONQ1 options are adjusted to no longer call for the delivery of LONEQ shares upon exercise.

**The options symbol LONQ1 will not change.**

In settlement of LONQ1 exercise/assignment activity, a LONQ1 put exerciser (or call assignee) will receive a cash payment of the full aggregate strike price amount on the exercise settlement date. A LONQ1 put assignee (or call exercise) will pay this amount on the exercise settlement date. Settlement will take place through OCC’s cash settlement system on the second business day after exercise.

**LONQ1 options, which have been subject to delayed settlement since November 30, 2020, are no longer subject to delayed settlement, effective January 8, 2021.**

Since LONQ1 options are American-style, they are exercisable at the election of the holder. Expiration processing for LONQ1 options will take place in the normal fashion, including automatic exercise thresholds.

## **DISCLAIMER**

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

**ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.**

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email [investorservices@theocc.com](mailto:investorservices@theocc.com). Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email [memberservices@theocc.com](mailto:memberservices@theocc.com).