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**#54952**

**Date:** July 30, 2024

**Subject:** SilverBow Resources, Inc. (Election Merger) - Contract Adjustment  
Option Symbol: 07/30/2024 - SBOW remains SBOW  
07/31/2024 - SBOW becomes CRGY1  
Date: 07/30/2024

On July 29, 2024, Shareholders of SilverBow Resources, Inc. (SBOW) voted concerning the proposed merger with Crescent Energy Company (CRGY). The merger was subsequently consummated before the open on July 30, 2024.

**The Merger: Aggregate Terms**

The cash consideration payable for SBOW common stock is subject to an aggregate cap of \$400 million.

**The Merger: Individual Share Elections**

Within the terms of the Merger, individual SBOW Shareholders may:

- Elect to receive 3.125 Crescent Energy Company (CRGY) Class A Common Shares ("Stock Election Consideration"). Cash will be paid in lieu of fractional shares. OR,
- Elect to receive \$38.00 Cash ("Cash Election Consideration"). The Cash Election Consideration is subject to proration. OR,
- Elect to receive 1.866 Crescent Energy Company (CRGY) Class A Common Shares plus \$15.31 Cash per each SBOW Common Share ("Mixed Election Consideration"). The Mixed Election Consideration is subject to proration. OR,
- Register no preference by not making an election ("Non-Electing Consideration"). Under the terms of the election, shares which are not subject to an effective election will be treated as non-electing shares and converted into the right to receive the Stock Election Consideration.

**The Merger Consideration: Prorations**

The Cash Election Consideration and Mixed Election Consideration was subject to proration as described in the Proxy.

**Contract Adjustment**

**Date:** July 30, 2024

**Option Symbol:** 07/30/2024 - SBOW remains SBOW (with adjusted deliverable described below)

07/31/2024 - SBOW changes to CRGY1

**Strike Divisor:** 1

**Contract Multiplier:** 1

**New Multiplier:** 100 (e.g., a premium or strike price extensions, 35.00 yields \$3,500)

**New Deliverable Per Contract:** The deliverable for adjusted SBOW options will be BASED ON THE MERGER CONSIDERATION WHICH ACCRUES TO NON-ELECTING SBOW SHAREHOLDERS (stated in terms of a current 100-Share deliverable).

1) 312 Crescent Energy Company (CRGY) Class A Common Shares  
2) Cash in lieu of 0.5 fractional CRGY shares

Note: Once determined the cash in lieu of fractional share portion of the option deliverable remains fixed and does not vary with price changes of any security.

**CUSIP:** CRGY: 44952J104

### **Pricing**

Until the cash in lieu amount is determined, the underlying price for CRGY1 will be determined as follows:

$$\text{CRGY1} = 3.125 (\text{CRGY})$$

### **Delayed Settlement**

The CRGY component of the CRGY1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the CRGY1 deliverable until the cash in lieu of fractional CRGY shares is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

### **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, please email the Investor Education team at [options@theocc.com](mailto:options@theocc.com).

Clearing Member Firms of OCC 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).