



#40363

**DATE: DECEMBER 23, 2016**

**SUBJECT: BASIC ENERGY SERVICES, INC. - CONTRACT ADJUSTMENT**  
**OPTION SYMBOL: BAS**  
**NEW SYMBOL: BAS1**  
**DATE: 12/27/2016**

On December 9, 2016, United States Bankruptcy Court for the District of Delaware confirmed the First Amended Joint Prepackaged Plan ("Plan") for Basic Energy Services, Inc. (BAS). The Plan will become effective on December 27, 2016. BAS shareholders were entitled to receive a pro-rata amount of New Common Shares and a pro-rata amount of Warrants. Pursuant to the Plan, fractional shares and warrants equal to less than 0.5 will be rounded down to the nearest whole share, and fractional shares and warrants equal to 0.5 or more will be rounded up to the next whole share.

The pro rata distribution of New Common Shares will be at a rate of approximately 1 New BAS Common Share per 570.093480 existing BAS Common Shares, or 0.001754 (New) BAS share per (old) BAS share held. The pro rata distribution of Warrants will be at a rate of approximately 1 Warrant per 20.689564 existing BAS Common Shares, or 0.048334 Warrants per (old) BAS share held.

BAS options will be adjusted to call for delivery of 100 x the pro rata distributions, which would equal 0.1754 (New) BAS Common Shares and 4.8334 Warrants per BAS1 Contract. Because fractional share amounts less than 0.5 will be rounded down, BAS options will not be adjusted to call for delivery of (New) BAS Common Shares.

(New) Basic Energy Services, Inc. Common Shares will trade on the New York Stock Exchange under the trading symbol "BAS". It is uncertain if a market for the Warrants will develop, or, if one does develop, under what trading symbol they will trade.

#### **POSSIBLE SETTLEMENT PROCEDURES**

After the Plan is effective, an OTC or OTCBB (Bulletin Board) market may develop in the U.S. for the Warrants, although there is no assurance this will happen. OCC anticipates that if an OTC or OTCBB market develops, NSCC will accept transactions in the warrants which arise as a result of option exercise and assignment activity. In that event, BAS1 option exercise and assignment activity will settle in the normal fashion through NSCC. However, if a market does not develop or NSCC does not accept transactions in the warrants, OCC anticipates requiring broker to broker settlement for BAS1 option exercise and assignment activity after the final distribution is determined.

Pursuant to customary OCC broker to broker settlement procedures, inability to effect delivery may subsequently occasion cash settlement as determined by OCC.

#### **CONTRACT ADJUSTMENT**

**DATE:** December 27, 2016

OPTION SYMBOL: BAS changes to BAS1

STRIKE DIVISOR: 1

CONTRACTS  
MULTIPLIER: 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 2.50 yields \$250.00)

NEW DELIVERABLE  
PER CONTRACT: 5 Basic Energy Services, Inc. Warrants (subject to delayed settlement)

CUSIP: Warrant: 06985P118

### **DELAYED SETTLEMENT**

OCC will delay settlement of the Warrants component of the BAS1 deliverable until the symbol and trading status of the warrants are determined. Upon determination of the Warrants' symbols and trading status, OCC will require Put exercisers and Call assignees to deliver the appropriate number of Warrants.

### **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 a panel of The OCC Securities Committee pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The adjustment panel is comprised of representatives from OCC and each exchange which trades the affected option. 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).