



**THE FOUNDATION  
FOR SECURE  
MARKETS®**

**#53468**

**Date:** November 01, 2023

**Subject:** Earthstone Energy, Inc. - Contract Adjustment  
Option Symbol: 11/01/2023 - ESTE remains ESTE  
11/02/2023 - ESTE becomes PR1  
**Date:** 11/01/2023

**Contract Adjustment**

**Date:** November 1, 2023

**Option Symbol:** 11/01/2023 - ESTE remains ESTE (with adjusted deliverable described below)  
11/02/2023 - ESTE changes to PR1

**Strike Divisor:** 1

**Contracts Multiplier:** 1

**New Multiplier:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 20 yields \$2,000.00)

**New Deliverable Per Contract:**

- 1) 144 Permian Resources Corporation (PR) Class A Common Shares
- 2) Cash in lieu of 0.6 fractional PR share
- 3) Approximately \$14.46 Cash (\$0.1446 Pre-Closing Dividend x 100), subject to adjustment as described in the ESTE/PR Proxy Statement/Prospectus dated September 25, 2023 ("Proxy")

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:** PR: 71424F105

**Pricing**

Until the final Pre-Closing Dividend amount is determined, the underlying price for PR1 will be determined as follows if the terms are unchanged:

$$\text{PR1} = 1.446 (\text{PR}) + 0.1446$$

## **Delayed Settlement**

The PR component of the PR1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the PR1 deliverable until the amount of the preclosing cash dividend paid, and cash in lieu of fractional PR shares, are determined. Upon determination of the total cash amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

## **Background**

On October 30, 2023, Shareholders of Earthstone Energy, Inc. (ESTE) voted concerning the proposed merger with Permian Resources Corporation (PR). The merger was approved and subsequently consummated before the open on November 1, 2023. As a result, each existing ESTE Class A Common Share will be converted into the right to receive 1.446 PR Class A Common Shares with cash paid in lieu of fractional PR shares, plus a Pre-Closing Dividend of approximately \$0.1446, subject to adjustment as described in the Proxy.

## **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).