



DATE: NOVEMBER 19, 2019

SUBJECT: CARRIZO OIL & GAS, INC. – ANTICIPATED ADJUSTMENT
OPTION SYMBOL: CRZO
NEW SYMBOL: CPE1
FUTURES SYMBOL: CRZO1D
NEW SYMBOL: CRZO2D
DATE: ???
***** UPDATE *****

Contract Adjustment

DATE: Effective the opening of the business day after the merger is consummated. Contract adjustment is anticipated to occur in the fourth quarter of 2019.

OPTION SYMBOL: CRZO changes to CPE1

STRIKE DIVISOR: 1

CONTRACTS MULTIPLIER: 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 8.00 yields \$800.00)

NEW DELIVERABLE PER CONTRACT: **175 Callon Petroleum Company (CPE) Common Shares**

CUSIP: CPE: 13123X102

PRICING

The underlying price for CPE1 will be determined as follows:

$$\text{CPE1} = 1.75 \text{ (CPE)}$$

Futures Contract Adjustment

DATE: Effective the opening of the business day after the merger is consummated. Contract adjustment is anticipated to occur in the fourth quarter of 2019.

FUTURES SYMBOL: CRZO1D changes to CRZO2D

NUMBER OF CONTRACTS: No Change

MULTIPLIER 100 (e.g., a premium of 1.50 yields \$150)

NEW DELIVERABLE PER CONTRACT: **175 Callon Petroleum Company (CPE) Common Shares**

CUSIP: CPE: 13123X102

PRICING

The underlying price for the CRZO2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{CRZO2D} = 1.75 \text{ (CPE)}$$

Please note that the valuation would apply only to the CRZO2D deliverable in terms of current market value of the deliverable securities. The resulting price would not be equivalent to the daily settlement price of a futures contract month, whose determination would include cost of money carrying charges, adjustment for dividends, and other factors.

BACKGROUND

On **December 20, 2019**, Shareholders of Carrizo Oil & Gas, Inc. (CRZO) will vote concerning the proposed merger with Callon Petroleum Company (CPE). If the merger is approved and consummated, each existing CRZO Common Share will be converted into the right to receive **1.75 CPE Common Shares**.

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. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.