



DATE: APRIL 11, 2019

SUBJECT: KEY ENERGY SERVICES, INC. - CONTRACT ADJUSTMENT
OPTION SYMBOL: KEGXQ
NEW SYMBOL: KEGX1
DATE: 12/16/2016
***** SETTLEMENT UPDATE *****

On December 6, 2016, United States Bankruptcy Court for the District of Delaware confirmed the Joint Prepackaged Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code (“Plan”) for Key Energy Services Inc. (KEGXQ). The Plan became effective on December 15, 2016. KEGXQ shareholders were entitled to make an election with regards to what consideration they would receive upon the Plan’s effectiveness. The default election was to receive a pro-rata amount of New Common Shares and a pro-rata amount of New Warrants.

As a result, each KEGXQ share was converted into the right to receive 0.005105 shares of Key Energy Services, Inc. Common Shares, plus 0.005751 Key Energy Services Inc. (**KYSVW**) 4-Year Warrants, plus 0.005751 Key Energy Services Inc. (**KYSRW**) 5-Year Warrants. Fractional entitlements were rounded to the nearest whole share or warrant. Holders entitled to less than 0.5 of a New Common Share or New Warrant did not receive any distribution.

Key Energy Services Inc. 4-Year Warrants and Key Energy Services Inc. 5-Year Warrants began trading on an OTC market on April 11, 2019 under the trading symbols of “KYSVW” and “KYSRW”, respectively.

CONTRACT ADJUSTMENT

DATE: December 16, 2016

OPTION SYMBOL: KEGXQ changes to KEGX1

STRIKE DIVISOR: 1

CONTRACTS MULTIPLIER: 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 1 yields \$100.00)

NEW DELIVERABLE PER CONTRACT:

- 1) 1 Key Energy Services Inc. (KEG) Common Share
- 2) 1 Key Energy Services Inc. (**KYSVW**) 4-Year Warrant
- 3) 1 Key Energy Services Inc. (**KYSRW**) 5-Year Warrant

CUSIPS: KEG: 49309J103

KYSVW: 49309J111
KYSRW: 49309J129

SETTLEMENT
ALLOCATIONS:

KEG: 90%
KYSVW: 5%
KYSRW: 5%

SETTLEMENT

The KEG component of KEGX1 exercise/assignment activity from December 16, 2016 through April 10, 2019, has settled through National Security Clearing Corporation (NSCC). The KYSVW and the KYSRW components of the KEGX1 deliverable which have been delayed from December 16, 2016 through April 10, 2019 will now settle through the National Securities Clearing Corporation (NSCC).

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.