



DATE: FEBRUARY 14, 2019

SUBJECT: NEWFIELD EXPLORATION COMPANY – CONTRACT
ADJUSTMENT

OPTION SYMBOLS: 2/14/19 – NFX remains NFX
2/15/19 – NFX becomes ECA1
2/14/19 – 1NFX remains 1NFX
2/15/19 – 1NFX becomes 1ECA1

FUTURES SYMBOL: 2/14/19 - NFX1D remains NFX1D
2/15/19 – NFX1D becomes NFX2D

DATE: 2/14/19

CONTRACT ADJUSTMENT

DATE: February 14, 2019

OPTION SYMBOLS: 2/14/19 - NFX remains NFX (with adjusted deliverable described below)
2/15/19 – NFX becomes ECA1
2/14/19 – 1NFX remains 1NFX (with adjusted deliverable described below)
2/15/19 – 1NFX becomes 1ECA1

STRIKE DIVISOR: 1

**CONTRACTS
MULTIPLIER:** 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 18 yields \$1,800.00)

**NEW DELIVERABLE
PER CONTRACT:** 1) 267 Encana Corporation (ECA) Common Shares
2) Cash in lieu of 0.19 fractional ECA shares

CUSIP: ECA: 292505104

PRICING

Until the cash in lieu amount is determined, the underlying price for ECA1 will be determined as follows:

$$\text{ECA1} = 2.6719 (\text{ECA})$$

DELAYED SETTLEMENT

The ECA component of the ECA1/1ECA1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the ECA1/1ECA1 deliverable until the cash in lieu of fractional ECA 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.

FUTURES CONTRACT ADJUSTMENT

DATE: February 14, 2019

FUTURES SYMBOL: 2/14/19 - NFX1D remains NFX1D (with adjusted deliverable described below)
2/15/19 – NFX1D becomes NFX2D

NUMBER OF CONTRACTS: No Change

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

NEW DELIVERABLE PER CONTRACT: 1) 267 Encana Corporation (ECA) Common Shares
2) Cash in lieu of 0.19 fractional ECA shares

CUSIP: ECA: 292505104

PRICING

Until the cash in lieu amount is determined, the underlying price for the NFX2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{NFX2D} = 2.6719 \text{ (ECA)}$$

Please note that the valuation would apply only to the NFX2D 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.

DELAYED SETTLEMENT

The ECA component of the NFX2D deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the NFX2D deliverable until the cash in lieu of fractional ECA shares is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.

BACKGROUND

On February 12, 2019, Shareholders of Newfield Exploration Company (NFX) voted concerning the proposed merger with Encana Corporation (ECA). The merger was approved and subsequently consummated before the open on February 14, 2019. As a result, each existing NFX Common Share will be converted into the right to receive 2.6719 ECA Common Shares. Cash will be paid in lieu of fractional ECA 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@theooc.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theooc.com.