



Attn: Trading and Market Making/Legal and Compliance/Operations/Systems
UNIFORM PRACTICE ADVISORY (UPC #42-16) 9/12/2016

Halcon Resources Corporation (HKRCP)

Notice has been received that the above Debtors’ Joint Prepackaged Chapter 11 Plan of Reorganization filed of the Federal Bankruptcy Code, became effective on 9/9/2016. Pursuant to the Plan, On the Effective Date, each holder of an Allowed Preferred Stock Interest shall be entitled to receive, in full and final satisfaction of such Allowed Preferred Stock Interest, its Pro Rata share of the Preferred Stock Cash Distribution; provided, however, that if any of the Unsecured Note Claims, the Convertible Note Claims or the Preferred Stock Interest Classes is a Rejecting Class, then the Preferred Holders shall not receive or retain any value under the Plan and the Cash to be distributed pursuant to the Preferred Stock Cash Distribution shall remain property of the Debtors and shall vest in the Reorganized Debtors on the Effective Date.

The rates below are only applicable to distributions to Holders of the Halcon Allowed Preferred Stock:

Description	Cash Per Share
Preferred Stock	\$49.897956

In addition, pursuant to the Plan, On the Effective Date, each holder of an Allowed Third Lien Note Claims shall be entitled to receive, in full and final satisfaction for such Allowed Third Lien Note Claim, its Pro Rata share of: (i) the Third Lien Noteholder New Common Shares; and (ii) the Third Lien Noteholder Cash Distribution. Distributions to each holder of an Allowed Third Lien Note Claim shall be subject to the rights and terms of the Third Lien Note Indenture and the rights of the Third Lien Note Trustee to assert its Third Lien Note Trustee Charging Lien.

Furthermore, On the Effective Date, each holder of an Allowed Unsecured Note Claim shall be entitled to receive, in full and final satisfaction of such Allowed Unsecured Note Claim, its Pro Rata share of: (i) the Unsecured Noteholder Cash Distribution; (ii) the Unsecured Noteholder New Common Shares; and (iii) the Unsecured Noteholder New Warrants; provided, however, that if the Unsecured Note Claims Class is a Rejecting Class, then: (1) the Convertible Noteholder New Warrants shall not be issued under the Plan; (2) the New Common Shares that were to be distributed to the holder of the Allowed Convertible Note Claims and Allowed Existing Equity Interests shall be reallocated and distributed Pro Rata to the holder of the Allowed Third Lien Note Claims on the Effective Date; and (3) if the Debtors elect not to terminate the Restructuring Support Agreement, then the distributions to be received by the holders of the Allowed General Unsecured Claims shall be modified as so to comply with section 1129(b) of the Bankruptcy Code, subject to the Consenting Third Lien Noteholders’ right under Section 9 of the Restructuring Support Agreement. Distributions to each holder of an Allowed Unsecured Note Claim shall be subject to the rights and terms of the Unsecured Note Indentures and the rights of the Unsecured Note Trustee to assert its Unsecured Note Trustee Charging Lien.

Summary details of the distributions as provided by the Plan are provided below for your convenience; however, please consult the Company's bankruptcy filings for thorough details.¹

Description	CUSIP	Stock Per \$1,000 Principal Amount	Cash Per \$1000 Principal Amount	Warrants Per \$1000 Principal Amount
13% Third Lien Note Claims	40537QAK6	67.634606	33.228472	
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8.875% Senior Unsecured Notes	40537QAD2	21.444138	57.792577	5.825233
9.25% Senior Unsecured Notes	40537QAF7	21.459940	57.835165	5.829525
9.75% Senior Unsecured Notes	40537QAB6	21.483421	57.898447	5.835904

Members are reminded of their obligations under FINRA Rule 2111 if they continue to engage in transactions in the above security after the effective date.

Members are advised that deliveries in settlement of contracts in the OLD securities, which were executed prior to the announcement that the securities had been deemed worthless, shall be evidenced by either a) the OLD security; or b) a Letter of Indemnity which shall grant the purchaser any rights and privileges which might accrue to the holders of the physical securities. Such deliveries shall operate to close-out the contract and shall be settled at the existing contract price pursuant to Uniform Practice Code Rule 11530.

Questions regarding this notice should be directed to: FINRA Operations- 1-866-776-0800.

¹ See e.g., *In re Halcon Resources Corporation, et al.*, No. 16-11724 (BLS) (Findings of Fact, Conclusions of Law, and Order (I) Approving the Debtors' (A) Disclosure Statement Pursuant to Sections 1125 and 1126(b) of the Bankruptcy Code, (B) Solicitation of Votes and Voting Procedures, and (C) Form of Ballots, and (II) Confirming the Amended Joint Prepackaged Joint Prepackaged Chapter 11 Plan of Halcon Resources Corporation, et al. Under Chapter 11 of the Bankruptcy Code).