

## MARKET NOTICE

**Number:** F7099  
**Date:** 01 July 2014

Johannesburg  
Stock Exchange

Tel: +27 11 520 7000  
Fax: +27 11 520 8584

[www.jse.co.za](http://www.jse.co.za)

### **Brett Kotze**

Designation Head of Operations – Clearing & Settlement  
Division Post trade services  
Tel +27 11 520 7587  
Fax +27 11 520 8587  
E-mail address: [brettk@jse.co.za](mailto:brettk@jse.co.za)

**Subject: Treatment of Chesapeake Energy Corporation (CHK US EQUITY) Corporate Action – Demerger / Spin Off 01<sup>st</sup> July 2014 (Ex-date)**

Members notice is drawn to section 13 of the JSE Derivatives Directives, Equity Derivatives Contract Specifications ([http://www.jse.co.za/ssf/contract\\_specifications.jsp](http://www.jse.co.za/ssf/contract_specifications.jsp)), which states:

### **13. Corporate Events**

The JSE reserves the right to adopt any procedure or to adjust any single stock future or option on a single stock future, in a manner it deems fit, to deal with any extraordinary corporate events that may occur from time to time in relation to a share that is the underlying instrument of the equity option and to notify position holders, derivatives members and any other interested parties, of such event and the procedure or adjustment adopted. Such events include, for example, mergers, take-overs, unbundlings, capitalization issues and rights issues.

The implication of this is that anybody trading in IDX Single Stock futures or options in which the underlying stock is the subject of an extraordinary corporate event should be aware that the JSE may make adjustments to the IDX Single Stock futures and options.

### **Demerger / Spin Off**

Chesapeake Energy Corporation (CHK US EQUITY) has declared a demerger where fourteen shares held on 30<sup>th</sup> June 2014 (**LDT**); shareholders will receive one share of the new Seventy Seven Energy Inc. (SSE US Equity) on (**Ex-date**)

With regard to this corporate action, the following adjustments will be made Tuesday, 1<sup>st</sup> July 2014 (**Ex-date**). The adjustments will be made to positions held in CHKG, as at close of business on Monday, 30<sup>th</sup> June 2014 (**LDT**).

**Futures contracts**

14 Futures Contract CHKG = 1 Futures Contract SSEG

Positions in CHKG will remain unchanged, new Positions will be created for SSEG

Should you have any queries please contact André Koen on (011) 520-7469 or [andrek@jse.co.za](mailto:andrek@jse.co.za) / [safexops@jse.co.za](mailto:safexops@jse.co.za) / [idx@jse.co.za](mailto:idx@jse.co.za)