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**CIRCULAR 103-17**  
**July 5, 2017**

**FINAL CONTRACT ADJUSTMENT**  
**Bellatrix Exploration Ltd. (BXE)**  
**Reverse Stock Split**

**THE FOLLOWING INFORMATION IS PREPARED FOR THE CONVENIENCE OF CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC) MEMBERS AND BOURSE DE MONTRÉAL INC. (THE BOURSE) APPROVED PARTICIPANTS. THIS DOCUMENT IS AN UNOFFICIAL SUMMARY OF CERTAIN TERMS OF THE AFOREMENTIONED ADJUSTMENT. CDCC AND THE BOURSE ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY. CDCC MEMBERS AND BOURSE APPROVED PARTICIPANTS MUST ENSURE THEY HAVE REVIEWED THE DOCUMENTATION PUBLISHED BY THE ISSUERS INVOLVED IN THIS CORPORATE ACTION.**

The Bourse and CDCC wish to inform you that Bellatrix Exploration Ltd. (“Bellatrix”) will consolidate its Common Shares. The reverse stock split on the basis of one-for-five ratio will be effective at the opening of markets on July 6, 2017.

**CDCC - adjustment details:**

Pursuant to Terms of Adjustment provided in Section A-902 of the Rules of CDCC, all BXE options will be adjusted as follows:

- **EFFECTIVE DATE:**                      **July 6, 2017**
- **OPTIONS SYMBOL:**                      **BXE will become BXE2**
- **NUMBER OF CONTRACTS:**              **Unchanged**
- **MULTIPLIER:**                              **20**
- **NEW DELIVERABLE PER CONTRACT:**      **20 Shares of Bellatrix Exploration Ltd.**
- **STRIKE PRICES:**                         **Strike Prices will be multiplied by five**
- **NEW CUSIP :**                                **078314 50 7**
- **POSITION AND EXERCISE LIMITS:**      **The position and exercise limits for existing series will be 50,000 contracts**

**CDCC will not adjust any outstanding escrow receipts.**

**The Bourse - adjustment details:**

It is important to note that on the effective date mentioned above, all open orders on this option class **will not be automatically modified** to reflect the reverse split and will therefore have to **be re-entered** into the Montreal Automated System (SAM) by the approved participants.

**The existing series of BXE options class will be transferred to the BXE2 options class representing the new deliverable. Please note that only closing transactions will be permitted on the adjusted class. Actual series that do not have open interest will not be adjusted.**

<b>Bellatrix Exploration Ltd.</b>		
<b>Symbol</b>	<b>Actual Strike Prices</b>	<b>New Strike Prices</b>
BXE2	\$1.00	\$5.00
BXE2	\$1.50	\$7.50
BXE2	\$2.00	\$10.00
BXE2	\$2.50	\$12.50
BXE2	\$3.00	\$15.00

**Numerical Example**

For a member holding a long put strike \$3.00 position and considering that BXE closing price on July 4 2017 is \$0.77, the intrinsic value of the option prior to the adjustment is:

$$\begin{aligned} \text{Intrinsic Value} &= \$3.00 \times 100 - \$0.77 \times 100 \\ &= \$223.00 \end{aligned}$$

After the adjustment, the intrinsic value of the option will be:

$$\begin{aligned} \text{Intrinsic Value} &= \text{New Strike Price} \times \text{New Multiplier} - \text{New Underlying Price} \times \text{New Deliverable} \\ &= \$15.00 \times (100/5) - \$3.85 \times (100/5) \\ &= \$223.00 \end{aligned}$$

**PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THIS OPTION CLASS ARE ADVISED OF THIS NOTICE.**

For further information, please contact Market Operations Department at (514) 871-7877. Clearing members may contact the CDCC Corporate operations Department.

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Financial Markets