

GOODRICH PETROLEUM CORP
Form 8-K
September 09, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 2, 2015

GOODRICH PETROLEUM CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

001-12719
(Commission

File Number)

76-0466193
(IRS Employer
Identification Number)

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801 Louisiana, Suite 700 Houston, Texas
(Address of Principal Executive Offices)

77002
(Zip Code)

Registrant's telephone number, including area code: (713) 780-9494

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement

On September 2, 2015, Goodrich Petroleum Corporation (the Company) entered into separate, privately negotiated exchange agreements under which it retired, effective September 8, 2015, \$55,000,000 in aggregate original principal amount of its outstanding 5.00% Convertible Senior Notes due 2032 (the Existing Notes) in exchange for its issuance of a new series of 5.00% Convertible Exchange Senior Notes due 2032 (the New Notes) in an aggregate original principal amount of \$27,496,000 and \$4,000 of cash (collectively, the Exchange Transactions). Following the Exchange Transactions, there will be a total of \$111.3 million aggregate original principal amount of Existing Notes remaining outstanding, with terms unchanged by the Exchange Transactions, and approximately \$27.5 million in aggregate original principal amount of New Notes outstanding. The New Notes were issued pursuant to the Indenture (the Base Indenture), dated as of September 8, 2015, among the Company, Goodrich Petroleum Company, L.L.C., as subsidiary guarantor (the Guarantor) and Wilmington Trust, National Association, as trustee (the Trustee), and the First Supplemental Indenture thereto, dated as of September 8, 2015, among the Company, the Guarantor, and the Trustee (the First Supplemental Indenture; the Base Indenture as so amended and supplemented, the Indenture).

The New Notes are the Company's senior unsecured obligations and rank equally in right of payment with all of the Company's other existing and future senior indebtedness. The New Notes are effectively subordinated to all of the Company's secured indebtedness to the extent of the value of the assets collateralizing such indebtedness. The New Notes are guaranteed by the Company's subsidiary, Goodrich Petroleum Company, L.L.C.

The Company will pay interest on the New Notes at a rate of 5.00% per annum on April 1 and October 1 of each year, beginning on October 1, 2015. The New Notes mature on October 1, 2032. The principal amount of the New Notes will also accrete at a rate of 2% per year, compounding on a semi-annual basis until October 1, 2018. The accreted portion of the principal payable at maturity does not bear interest and is not convertible into shares of the Company's common stock.

Holder may convert their New Notes at their option at any time prior to the close of business on the second business day immediately preceding the maturity date under the following circumstances: (1) if the New Notes have been called for redemption or the Company exercises its option to convert the New Notes, or (2) upon the occurrence of one of specified corporate transactions.

The conversion rate is 500.00 shares per \$1,000 principal amount of the New Notes (equal to an initial conversion price of \$2.00 per share of common stock), subject to adjustment. Upon conversion, the Company must deliver, at its option, either (1) a number of shares of its common stock determined as set forth in the Indenture, or (2) a combination of cash and shares of its common stock, if any. Shares of the Company's common stock into which the New Notes are convertible have been reserved for issuance by the Company and will be listed on the New York Stock Exchange, subject to notice of issuance.

Upon satisfaction of certain conditions, including that the trading price of the Company's common stock exceeds \$2.50 (or 125% of the then applicable conversion price) for the required measurement period, the Company may elect to convert the New Notes in whole or in part, prior to maturity, into the Company's underlying common stock. If the Company elects to convert the New Notes on or before October 1, 2018, holders will receive a make-whole premium equal to (i) \$100 per \$1,000 face amount of such New Notes if the conversion occurs prior to October 1, 2017 or (ii) \$100 per \$1,000 face amount of such New Notes less an amount equal to 0.2778 multiplied by the number of days between September 30, 2017 and the conversion date, if the conversion occurs on or after October 1, 2017.

Subject to certain conditions, holders have the option to require the Company to purchase all or a portion of their New Notes on each of October 1, 2018, October 1, 2022 and October 1, 2027. In addition, if the Company experiences one of specified types of corporate transactions, holders may require the Company to purchase all or a portion of their New Notes. Any repurchase of the New Notes pursuant to these provisions will be for cash at a price equal to 100% of the accreted principal amount of the New Notes to be purchased plus any accrued and unpaid interest on the original

principal amount to, but excluding, the purchase date. Upon a holder's election to convert the New Notes in connection with certain corporate transactions, the Company will increase the conversion rate as set forth in the Indenture.

On or after October 1, 2017, the Company may redeem for cash all or a portion of the New Notes at a redemption price of 100% of the accreted principal amount of the New Notes to be redeemed plus accrued and unpaid interest on the original principal amount to, but not including, the redemption date.

The Indenture contains customary terms and covenants and events of default. If an event of default (as defined therein) occurs and is continuing, the Trustee by notice to the Company, or the holders of at least 25% in principal amount of the New Notes then outstanding by notice to the Company and the Trustee, may declare the principal amount of the New Notes to be due and payable. In the case of an event of default arising out of certain bankruptcy events (as set forth in the Indenture), the principal amount of the New Notes will automatically become due and payable.

The foregoing description of the Base Indenture, the First Supplemental Indenture and the New Notes is a summary only and is qualified in its entirety by reference to the Base Indenture, the First Supplemental Indenture and the form of the New Notes, which are filed herewith as Exhibits 4.1, 4.2 and 4.3, respectively, and incorporated herein by reference.

The Company offered the New Notes to certain holders of the Existing Notes in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended (the Securities Act). The offer and sale of the New Notes to certain holders of the Existing Notes did not involve a public offering, the solicitation of offers for the New Notes was not done by any form of general solicitation or general advertising, and offers for the New Notes were only solicited from persons believed to be accredited investors within the meaning of Rule 501 of Regulation D promulgated under the Securities Act. The New Notes and any shares of the Company's common stock that may be issued upon conversion of the New Notes will not be registered under the Securities Act, or the securities laws of any other jurisdiction, and may not be offered or sold in the United States absent registration under the Securities Act or an applicable exemption from registration requirements.

This Current Report on Form 8-K does not constitute an offer to sell, or a solicitation of an offer to buy, any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offering would be unlawful.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

The information set forth above under Item 1.01 in this Current Report is hereby incorporated by reference into this Item 2.03.

Item 3.02 Unregistered Sales of Equity Securities

The information set forth above under Item 1.01 in this Current Report is hereby incorporated by reference into this Item 3.02.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Description

**Exhibit
Number**

- 4.1 Indenture, dated as of September 8, 2015, among Goodrich Petroleum Corporation, Goodrich Petroleum Company, L.L.C. and Wilmington Trust, National Association, as trustee.
- 4.2 First Supplemental Indenture, dated as of September 8, 2015, among Goodrich Petroleum Corporation, Goodrich Petroleum Company, L.L.C. and Wilmington Trust, National Association, as trustee.
- 4.3 Form of 5.00% Convertible Exchange Senior Note due 2032 (included in Exhibit 4.2).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: September 9, 2015

**GOODRICH PETROLEUM
CORPORATION**

By: /s/ Michael J. Killelea
Michael J. Killelea
Senior Vice President, General Counsel
and Corporate Secretary

EXHIBIT INDEX

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