Research Circular #RS12-514

DATE: October 3, 2012
TO: Permit Holders
FROM: Scott Speer

RE: **Venoco, Inc. ("VQ") Merger COMPLETED with Denver Parent Corporation – Cash Settlement**

Shareholders of Venoco, Inc. ("VQ") voted on Tuesday, June 5, 2012, and approved a proposed Merger between VQ and Denver Merger Sub Corporation, a wholly owned subsidiary of Denver Parent Corporation. Pursuant to the terms of the Merger, each share of VQ Common Stock outstanding immediately prior to the consummation of the Merger will be converted into the right to receive **$12.50 cash**, without interest, per VQ share. **The Merger became effective today, Wednesday, October 3, 2012.**

Contract Adjustment

Pursuant to Article VI, Section 11 and 11A of The Options Clearing Corporation's By-Laws, all outstanding VQ options shall be adjusted as follows. **As of Thursday, October 4, 2012, each Venoco, Inc. contract will be adjusted to require, upon exercise, the per-contract delivery or receipt of $1,250.00 in cash**. Strike prices will remain the same, and the option symbol will remain **VQ**. [Any FLEX series that may exist will be adjusted in a similar manner to the standardized option.]

Please be aware that trading in the adjusted VQ options will be suspended as of Thursday, October 4, 2012. There are no restrictions on the exercise of the adjusted VQ options.

Acceleration of Expirations

Pursuant to OCC Rule 807, equity stock option contracts whose deliverables are adjusted to call for cash-only delivery will be subject to an acceleration of the expiration dates for outstanding option series.

All series of Venoco, Inc. options whose expiration dates are after October 20, 2012 will have their expiration dates advanced to Saturday, October 20, 2012. Expiration dates occurring before October 20, 2012 (e.g., Flex options) will remain unchanged.

Questions regarding this memo can be addressed to Options Industry Services at 1-888-OPTIONS (1-888-678-4667). CBOE contract adjustment memos can also be accessed from CBOE.com at the following web address:

http://www.cboe.com/ContractAdjustments