

Resolute Energy Corp  
Form 424B5  
December 19, 2016  
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**Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-214480**

The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell nor do they seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated December 19, 2016

Prospectus Supplement

to Prospectus Dated December 5, 2016

**3,800,000 Shares**

**Resolute Energy Corporation**

**Common stock**

We are offering 3,800,000 shares of our common stock.

Our common stock trades on the New York Stock Exchange, or NYSE, under the symbol REN. On December 16, 2016 the last sale price of the shares as reported on the NYSE was \$39.12 per share.

**Investing in our common stock involves risks including those described in the Risk Factors section beginning on page S-11 of this prospectus supplement and page 8 of the accompanying prospectus. You should also consider the risk factors described in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.**

	Per Share	Total
Public offering price	\$	\$
Underwriting discounts and commissions	\$	\$
Proceeds, before expenses, to us	\$	\$

The underwriters may also exercise their option to purchase up to an additional 570,000 shares from us, at the price per share set forth above, for 30 days after the date of this prospectus supplement.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.**

The underwriters expect to deliver the shares to purchasers on or about , 2016.

**BMO Capital Markets**

The date of this prospectus supplement is , 2016

**Goldman, Sachs & Co.**

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**ABOUT THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of our common stock and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information about securities we may offer from time to time, some of which information may not apply to this offering. Generally, when we refer to this prospectus, we are referring to both this prospectus supplement and the accompanying prospectus. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the accompanying prospectus or in any document incorporated by reference that was filed with the Securities and Exchange Commission (the SEC) before the date of this prospectus supplement, on the other hand, you should rely on the information in this prospectus supplement. If any statement in one of these documents is inconsistent with a statement in another document having a later date (for example, a document incorporated by reference in this prospectus supplement), the statement in the document having the later date modifies or supersedes the earlier statement. We urge you to carefully read this prospectus supplement, the information incorporated by reference, the accompanying prospectus, and any free writing prospectus that we authorize to be distributed to you before buying shares of common stock being offered under this prospectus supplement. The documents incorporated by reference in this prospectus supplement are described under Information Incorporated by Reference .

In making your investment decision, you should rely only on the information included or incorporated by reference in this prospectus supplement or to which this prospectus supplement refers or that is contained in any free writing prospectus relating to the common stock to which we refer you. We and the underwriters have not authorized anyone to provide you with any other information. If you receive any other information, you should not rely on it. Neither this prospectus supplement nor the accompanying prospectuses constitute an offer to sell or the solicitation of an offer to buy any securities other than the common stock offered hereunder, nor does this prospectus supplement or the accompanying prospectus constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

You should not assume that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date other than its date or that the information incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date of the incorporated document. The information contained in this prospectus supplement and the accompanying prospectus or in any document incorporated by reference herein or therein is accurate and complete only as of the date hereof or thereof, respectively, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or of any sale of our common stock by us or the underwriters. Our business, financial condition, results of operations and prospects may have changed since those dates.

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. The use of any statements containing the words anticipate, intend, believe, estimate, project, expect, plan, should or similar expressions are intended to identify such statements, however the absence of such words does not mean that the

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statements are not forward-looking. Forward-looking statements included or incorporated by reference in this prospectus supplement relate to, among other things, the expected benefits of acquisitions; our use of proceeds from this offering; our production and cost guidance for 2016; anticipated future capital expenditures and the sources of funding for such capital expenditures; our financial condition and management of the Company in the current commodity price environment; future financial and operating results; our intention to refinance our revolving credit facility; our intention to evaluate and pursue liquidity enhancing and de-levering transactions, including joint ventures and asset sales including the anticipated disposition of our New Mexico properties and the timing of such transaction; liquidity and availability of capital including projections of free cash flow; additional future potential full cost ceiling impairments; future downward adjustments in estimated proved reserves as a result of low commodity prices; future borrowing base adjustments and the effect thereof; future production, reserve growth and decline rates; our plans and expectations regarding our development activities including drilling, deepening, recompleting, fracing and refracing wells, the number of such potential projects, locations and productive intervals, the drilling costs associated with such projects; the timing to reach held by production status; the rates of return and time to payout on such projects and the resource potential of such projects; the prospectivity of our properties and acreage; availability of alternative oil purchase markets and oil takeaway systems; and the anticipated accounting treatment of various activities. Although we believe that these statements are based upon reasonable current assumptions, no assurance can be given that the future results covered by the forward-looking statements will be achieved. Forward-looking statements can be subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by the forward-looking statements. All forward-looking statements speak only as of the date made. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Except as required by law, we undertake no obligation to update any forward-looking statement. Factors that could cause actual results to differ materially from our expectations include, among others, those factors referenced in the Risk Factors section of this prospectus, in our 2015 Annual Report and the Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, and such things as:

our ability to realize the expected benefits from the interests in oil and gas assets in Reeves County, Texas purchased from Firewheel Energy, LLC in October 2016;

difficulties in integrating our operations as a result of any significant acquisitions;

volatility of oil and gas prices, including extended periods of depressed prices that would adversely affect our revenue, income, cash flow from operations and liquidity and the discovery, estimation and development of, and our ability to replace oil and gas reserves;

a lack of available capital and financing, including the capital needed to pursue our operations and other development plans for our properties, on acceptable terms, including as a result of a reduction in the borrowing base under our revolving credit facility (the Revolving Credit Facility );

risks related to our level of indebtedness;

our ability to fulfill our obligations under our Revolving Credit Facility, our second lien secured term loan facility (the Secured Term Loan Facility ), our 8.50% Senior Notes due 2020 (the Senior Notes ) and any additional indebtedness we may incur;

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constraints imposed on our business and operations by our Revolving Credit Facility, our Secured Term Loan Facility and Senior Notes may limit our ability to execute our business strategy;

future write downs of reserves and the carrying value of our oil and gas properties;

our future cash flow, liquidity and financial position;

the success of our business and financial strategy, derivative strategies and plans;

the success of the development plan for and production from our oil and gas properties;

risks associated with rising interest rates;

risks associated with all of our Aneth Field oil production being purchased by a single customer and connected to such customer with a pipeline that we do not own or control;

inaccuracies in reserve estimates;

the completion, timing and success of drilling on our properties;

operational problems, or uninsured or underinsured losses affecting our operations or financial results;

the amount, nature and timing of our capital expenditures, including future development costs;

anticipated CO<sub>2</sub> supply, which is currently sourced exclusively from Kinder Morgan CO<sub>2</sub> Company, L.P. under a contract with take or pay obligations;

the effectiveness and results of our CO<sub>2</sub> flood program at Aneth Field;

our relationship with the Navajo Nation, the local community in the area where we operate Aneth Field, and Navajo Nation Oil and Gas Company, as well as certain purchase rights held by Navajo Nation Oil and Gas Company;

the impact of any U.S. or global economic recession;



the timing and amount of future production of oil and gas;

the ability to sell or otherwise monetize assets at values and on terms that are advantageous to us;

availability of, or delays related to, drilling, completion and production, personnel, supplies and equipment;

risks and uncertainties in the application of available horizontal drilling and completion techniques;

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uncertainty surrounding occurrence and timing of identifying drilling locations and necessary capital to drill such locations;

our ability to fund and develop our estimated proved undeveloped reserves;

the effect of third party activities on our oil and gas operations, including our dependence on third party owned gas gathering and processing systems;

our operating costs and other expenses;

our success in marketing oil and gas;

the impact and costs related to compliance with, or changes in, laws or regulations governing our oil and gas operations, including changes in Navajo Nation laws, and the potential for increased regulation of drilling and completion techniques, underground injection or fracturing operations;

our relationship with the local communities in the areas where we operate;

the availability of water and our ability to adequately treat and dispose of water while and after drilling and completing wells;

regulation of salt water injection intended to address seismic activity;

the concentration of our producing properties in a limited number of geographic areas;

potential changes to regulations affecting derivatives instruments;

environmental liabilities under existing or future laws and regulations;

the impact of climate change regulations on oil and gas production and demand;

potential changes in income tax deduction and credits currently available to the oil and gas industry;

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the impact of weather and the occurrence of disasters, such as fires, explosions, floods and other events and natural disasters;

competition in the oil and gas industry and failure to keep pace with technological development;

developments in oil and gas producing countries;

risks relating to our joint interest partners and other counterparties inability to fulfill their contractual commitments;

loss of senior management or key technical personnel;

the impact of long-term incentive programs, including performance-based awards and stock appreciation rights;

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timing of issuance of permits and rights of way, including the effects of any government shut-downs;

potential power supply limitations in the electrical infrastructure serving Aneth Field;

timing of installation of gathering infrastructure in areas of new exploration and development;

potential breakdown of equipment and machinery relating to the Aneth compression facility;

losses possible from pending or future litigation;

cybersecurity risks;

the risk of a transaction that could trigger a change of control under our debt agreements and the higher likelihood of such a transaction of such a transaction occurring due to our current low stock price;

acquisitions and other business opportunities (or lack thereof) that may be presented to and pursued by us, and the risk that any opportunity currently being pursued will fail to consummate or encounter material complications;

our ability to achieve the growth and benefits we expect from our acquisitions;

risks associated with unanticipated liabilities assumed, or title, environmental or other problems resulting from, our acquisitions;

risk factors discussed or referenced in this prospectus; and

other factors, many of which are beyond our control.

Additionally, the SEC requires oil and gas companies, in filings made with the SEC, to disclose proved reserves, which are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, under existing economic conditions, operating methods and governmental regulations. The SEC permits the optional disclosure of probable and possible reserves. From time to time, we may elect to disclose probable reserves and possible reserves, excluding their valuation, in our SEC filings, press releases and investor presentations. The SEC defines probable reserves as those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are likely as not to be recovered. The SEC defines possible reserves as those additional reserves that are less certain to be recovered than probable reserves. The Company applies these definitions when estimating probable and possible reserves. Statements of reserves are only estimates and may not correspond to the ultimate

quantities of oil and gas recovered. Any reserves estimates or potential resources disclosed in our public filings, press releases and investor presentations that are not specifically designated as being estimates of proved reserves may include estimated reserves not necessarily calculated in accordance with, or contemplated by, the SEC's reserves reporting guidelines.

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SEC rules prohibit us from including resource estimates in our public filings with the SEC. Our potential resource estimates include estimates of hydrocarbon quantities for (i) new areas for which we do not have sufficient information to date to classify as proved, probable or possible reserves, (ii) other areas to take into account the level of certainty of recovery of the resources and (iii) uneconomic proved, probable or possible reserves. Potential resource estimates do not take into account the certainty of resource recovery and are therefore not indicative of the expected future recovery and should not be relied upon for such purpose. Potential resources might never be recovered and are contingent on exploration success, technical improvements in drilling access, commerciality and other factors. We sometimes include estimates of quantities of oil and gas using certain terms, such as resource, resource potential, EUR, oil in place, or other descriptions of volumes of reserves, which terms include quantities of oil and gas that may not meet the SEC definition of proved, probable and possible reserves. These estimates are by their nature more speculative than estimates of proved reserves and accordingly are subject to substantially greater risk of being recovered. The Company believes its potential resource estimates are reasonable, but such estimates have not been reviewed by independent engineers. Furthermore, estimates of potential resources may change significantly as development provides additional data, and actual quantities that are ultimately recovered may differ substantially from prior estimates.

Finally, 24-hour peak IP rates, 30-day peak IP rates, 90-day peak IP rates, 120-day peak IP rates and 150-day peak rates, for both our wells and for those wells that are located near to our properties are limited data points in each well's productive history. These rates are sometimes actual rates and sometimes extrapolated or normalized rates. As such, the rates for a particular well may change as additional data becomes available. Peak production rates are not necessarily indicative or predictive of future production rates, EUR or economic rates of return from such wells and should not be relied upon for such purpose. Equally, the way we calculate and report peak IP rates and the methodologies employed by others may not be consistent, and thus the values reported may not be directly and meaningfully comparable. Lateral lengths described are indicative only. Actual completed lateral lengths depend on various considerations such as lease-line offsets. Standard length laterals, sometimes referred to as 5,000 foot laterals, are laterals with completed length generally between 4,000 feet and 5,500 feet. Mid-length laterals, sometimes referred to as 7,500 foot laterals, are laterals with completed length generally between 6,500 feet and 8,000 feet. Long laterals, sometimes referred to as 10,000 foot laterals, are laterals with completed length generally longer than 8,000 feet.

You are urged to consider closely the disclosure in our 2015 Annual Report, and in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016, and September 30, 2016 in particular the factors described under Risk Factors in our 2015 Annual Report and Quarterly Report on Form 10-Q for the quarter ended September 30, 2016.

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**SUMMARY**

*This summary highlights selected information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents we incorporate by reference herein and therein. It does not contain all of the information you should consider before making an investment decision. You should read this entire prospectus supplement, the accompanying prospectus, the documents incorporated by reference herein and therein and the other documents to which we refer for a more complete understanding of our business and this offering. Please read Risk Factors beginning on page S-5 of this prospectus supplement and the additional information contained in our Annual Report on Form 10-K for the year ended December 31, 2015 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016, and September 30, 2016, which are incorporated by reference in this prospectus supplement, for financial and other important information you should consider before making an investment decision. Unless the context otherwise requires, the terms we, us, our, and the company refer to Resolute Energy Corporation and its wholly-owned subsidiaries.*

**RESOLUTE ENERGY CORPORATION**

We are a publicly traded, independent oil and gas company with assets located primarily in the Delaware Basin in West Texas and the Paradox Basin in southeast Utah. Our development activity is focused on our approximately 20,000 gross (16,300 net) operated acreage position in what we believe to be the core of the Wolfcamp horizontal play in northern Reeves County, Texas. Our corporate strategy is to drive organic growth in reserves, production and cash flow through development of our Reeves County acreage and opportunistic bolt-on acquisitions in the Delaware Basin while continuing to focus on improving margins in our Paradox Basin properties while de-risking certain future growth projects through selectively targeted capital investment.

We have been active in the Delaware Basin since 2011 and began horizontal development in the Wolfcamp in late 2013. Through December 18, 2016, we had drilled and completed twenty gross horizontal wells in Reeves County. Our 2016 capital program targeted the drilling of 14 gross horizontal wells, and through the date of this prospectus, we have drilled and completed twelve of these wells, two additional wells are currently drilling. The wells drilled to date in 2016 have targeted the Wolfcamp A reservoir and have been comprised of both mid-length (approximately 7,500 ) and long (approximately 10,000 ) laterals. We believe longer laterals offer superior rates of return and given that our acreage is well-suited to the drilling of mid-length and long laterals, we plan to focus on these moving forward. Results from the wells we have completed to date in the 2016 drilling program have significantly exceeded our expectations and have led us to increase our estimates for initial production and ultimate recoveries from these wells. We expect to add a second drilling rig early in 2017 with a view to accelerating development of what we estimate are more than 300 gross potential Wolfcamp A and B drilling locations.

In the Paradox Basin in southeast Utah, we operate a large enhanced oil recovery ( EOR ) project in Aneth Field. Aneth Field is estimated to contain approximately 1.5 billion barrels of original oil in place and is estimated to have produced in excess of 444 million barrels since its discovery in the mid-1950s. We have operated all of Aneth Field since 2006 and have actively expanded the CO<sub>2</sub> flood begun by previous operators in the mid-1980s. In the current commodity price environment, ongoing investment in Aneth has been limited and we have focused our attention on reducing operating costs and improving production reliability. As a result of our efforts, from the third quarter of 2014 to the second quarter of 2016, lease operating costs have declined more than 25% and total capital costs (including CO<sub>2</sub>) have declined more than 50% while production has remained essentially flat since early 2014.

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***Update relating to Long Term Incentive Program***

As part of our 2015 and 2016 long term incentive program due to the then low stock price environment, Resolute issued certain cash-settled awards in place of our normal practice of issuing restricted stock awards. These awards included performance-based restricted cash awards granted in May 2015, paid out based on our average stock price compared to targets from \$10.00 to \$40.00 per share and cash-settled stock appreciation rights granted in February 2016 with an average strike price of \$2.84. These long term incentive awards were previously disclosed in our SEC filings.

GAAP requires that these instruments be marked-to-market to reflect fair value at the end of each quarter. Resolute's common stock price rose from a closing price on the NYSE of \$2.97 on June 30, 2016 to \$39.12 on December 16, 2016. As a result, we expect to recognize \$15.0 million to \$16.5 million of expense in the fourth quarter of 2016 for these awards based on their fair value at the end of the quarter, compared to \$16.0 million of such expense in the third quarter of 2016. Actual cash payments expected to be made in 2016 are approximately \$5.8 million, of which approximately \$2.9 million are expected to be made by the three months ended December 31, 2016, but they may be higher depending on increases in the price for our common stock.

**CORPORATE INFORMATION**

Our executive offices are located at 1700 Lincoln Street, Suite 2800, Denver, CO 80203 and our telephone number at that address is 303-534-4600. Our website address is <http://www.resoluteenergy.com>. Information contained on, or available through, our website is not part of this prospectus, except for the SEC filings incorporated herein by reference.

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**THE OFFERING**

<b>Issuer</b>	Resolute Energy Corporation
<b>Common stock offered by us</b>	3,800,000 shares.
<b>Option to purchase additional shares</b>	The underwriters also have the option to purchase up to an additional 570,000 shares from us on the same terms and conditions within 30 days from the date of this prospectus supplement.
<b>Common stock outstanding following the offering(1)</b>	21,360,221 shares (or 21,930,221 shares if the underwriters exercise their option to purchase additional shares in full).
<b>Use of proceeds</b>	<p>We estimate that the net proceeds from this offering, after deducting the underwriting discount and commissions and our estimated offering expenses, will be approximately \$ (or \$ if the underwriters exercise their option to purchase additional shares in full).</p> <p>We intend to use a portion of the net proceeds from this offering to repay in full our Secured Term Loan Facility. The remainder of the net proceeds will be used to repay a portion of the borrowings currently outstanding under our Revolving Credit Facility. See Use of Proceeds.</p>
<b>Risk factors</b>	<p>Investing in our common stock involves substantial risk. You should carefully consider the risk factors set forth or cross-referenced in the sections entitled Risk factors beginning on page S-11 of this prospectus supplement and on page 8 of the accompanying prospectus, and the other information contained in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein, including our Annual</p> <p>Report on Form 10-K of the year ended December 31, 2015 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, prior to making an investment in our common stock.</p>
<b>Trading symbol</b>	Our common stock is listed on the NYSE under the symbol REN .

(1) The number of shares of common stock to be outstanding immediately following this offering is based on 17,560,221 shares outstanding as of December 16, 2016.

Immediately after the consummation of this offering, we will have approximately 21,360,221 shares of our common stock outstanding (or 21,930,221 shares if the underwriters exercise their option to purchase additional shares in full), based on 17,560,221 shares of our common stock outstanding as of December 16, 2016, and excluding:

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any shares of common stock issuable upon conversion of the \$62.50 million aggregate liquidation preference of our 8 <sup>1</sup>/<sub>8</sub>% Series B Cumulative Perpetual Convertible Preferred Stock (our Convertible Preferred Stock );

1,055,565 shares of common stock issuable (subject to certain vesting and other conditions) upon the exercise of outstanding employee stock options pursuant to our equity incentive plan; and

1,046,646 shares of common stock reserved and available for issuance in connection with future awards under our equity incentive plan.

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**RISK FACTORS**

*Any investment in our common stock involves a high degree of risk. You should carefully consider the risks described below, and all of the information contained or incorporated by reference into this prospectus supplement and the accompanying prospectus, including the extensive risk factor disclosures contained in our Annual Report on Form 10-K of the year ended December 31, 2015 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, before deciding whether to purchase our common stock. The risks and uncertainties described below and in such incorporated documents are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of these risks actually occurs, our business, financial condition or results of operations would suffer. In that case, the trading price of our common stock could decline and you could lose all or part of your investment. The risks discussed below also include forward-looking statements, and our actual results may differ substantially from those discussed in these forward-looking statements. See Cautionary Note Regarding Forward-Looking Statements .*

**The market price of our common stock may be volatile and our stock price could decline.**

The trading price of shares of our common stock has from time to time fluctuated widely and in the future may be subject to similar fluctuations. For instance, in the last 12 months, the market price of our common stock has at times been below \$2.40 per share and at times above \$39.00 per share. The trading price of our common stock may be affected by a number of factors, including the volatility of oil and natural gas prices, our operating results, changes in our earnings estimates, additions or departures of key personnel, our financial condition and the success of our drilling activities, legislative and regulatory changes, conditions in the oil and natural gas exploration and development industry, general economic conditions, and conditions in the securities markets. In particular, the market price of our common stock recently increased significantly following an announcement by OPEC of an agreement among its members to reduce production levels. Any termination, modification or failure to implement that agreement could have a significantly negative effect on the price of oil and the trading price of our common stock. More generally, a significant or extended decline in commodity prices, regardless of the cause, could have a material adverse effect on the price of our common stock.

**Because we have no plans to pay, and are currently restricted from paying, dividends on our common stock, investors must look solely to appreciation in the value of our common stock for a return on their investment in us.**

We do not anticipate paying dividends on our common stock in the foreseeable future. We currently intend to retain all future earnings to fund the development and growth of our business. Any payment of future dividends will be at the discretion of our board of directors. In addition, covenants contained in our Revolving Credit Facility and the indenture governing our Senior Notes restrict the payment of dividends. Investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize a return on their investment. Investors seeking cash dividends should not purchase our common stock.

**We are able to issue shares of preferred stock with greater rights than our common stock.**

Our board of directors is authorized to issue one or more series of preferred stock from time to time without any action on the part of our stockholders. Our board of directors also has the power, without stockholder approval, to set the terms of any such series of preferred stock that may be issued,



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including voting rights, dividend rights and preferences over our common stock with respect to dividends and other terms. If we issue preferred stock in the future that has a preference over our common stock with respect to the payment of dividends or other terms, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the rights of holders of our common stock or the market price of our common stock could be adversely affected.

### **There may be future dilution of our common stock, which could adversely affect the market price of our common stock.**

We are not restricted from issuing additional shares of our common stock. We may also issue securities convertible into, or exchangeable for, or that represent the right to receive, shares of our common stock. In the future, we may issue shares of our common stock to raise cash for future drilling and development activities or acquisitions. We regularly evaluate acquisition opportunities as part of our overall business strategy and may periodically pursue acquisition prospects as they arise, particularly in light of the significant decline in commodity prices in recent periods. We may pay the purchase price for any such acquisition by using cash, common stock, or a combination of both. Any of these events may dilute your ownership interest in us, reduce our earnings per share and have an adverse effect on the price of our common stock. In addition, sales of a substantial amount of our common stock in the public market, or the perception that these sales may occur, could reduce the market price of our common stock.

### **We are subject to a Rights Plan that may discourage third parties from attempting to acquire control of our company and have an adverse effect on the price of our common stock.**

In May 2016, our board of directors adopted a rights plan (the Rights Plan) and declared a dividend of one preferred share purchase right (a Right) for each share of common stock held by stockholders of record on May 27, 2016. Our board of directors also authorized and directed the issuance of one Right with respect to each share of common stock issued after May 27, 2016, until the earlier of the Rights exercisability and the redemption or expiration of the Rights. Each Right, when exercisable, entitles its holder to purchase from the Company five one-thousandths of a share of Series A Junior Participating Preferred Stock (subject to certain adjustments) for \$4.50 per one-thousandth (subject to certain purchase price adjustments). Five one-thousandths of a share of Series A Junior Participating Preferred Stock would give the stockholder approximately the same dividend, voting and liquidation rights as would one share of common stock. The Rights will generally separate from the common stock and become exercisable if any person or group acquires or announces a tender offer to acquire beneficial ownership of 20% or more of our outstanding common stock. The Rights will automatically be exercised and exchanged for common stock on a one-for-one basis if any person or group, but for the Rights Plan, would acquire beneficial ownership of 35% or more of our outstanding voting securities. However, all of the Rights may be redeemed by our board of directors for \$0.005 per Right (subject to adjustment upon a stock split or stock dividend of common stock) at any time prior to their exercisability. Because the Rights may substantially dilute the stock ownership of a person or group attempting to take us over, the Rights Plan could make it more difficult for a third party to acquire us (or a significant percentage of our outstanding capital stock) without first negotiating with our board of directors.

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**USE OF PROCEEDS**

We estimate that the net proceeds from this offering, after deducting the underwriting discount and commissions and our estimated offering expenses, will be approximately \$ (or \$ if the underwriters exercise their option to purchase additional shares in full).

We intend to use a portion of the net proceeds from this offering to repay in full our Secured Term Loan Facility. The remainder of the net proceeds will be used to repay a portion of the borrowings currently outstanding under our Revolving Credit Facility.

As of November 30, 2016, the outstanding balance under our Secured Term Loan Facility was approximately \$128.3 million. Borrowings under the Secured Term Loan Facility generally bear interest at adjusted LIBOR plus 10%, with a 1% LIBOR floor. Our Secured Term Loan Facility will mature on the date that is six months after the maturity of our Revolving Credit Facility, but in no event later than November 1, 2019.

As of November 30, 2016, the outstanding balance under our Revolving Credit Facility was approximately \$40.0 million. Each base rate borrowing under the Revolving Credit Facility accrues interest at either (a) the London Interbank Offered Rate ( LIBOR ), plus a margin which varies from 1.50% to 2.50% or (b) the alternative Base Rate defined as the greater of (i) the Administrative Agent s Prime Rate (ii) the Federal Funds effective Rate plus 0.5% or (iii) an adjusted London Interbank Offered Rate plus a margin which ranges from 0.50% to 1.50% . The Revolving Credit Facility matures in March 2018.

Affiliates of certain of the underwriters serve as lenders under our Revolving Credit Facility and will receive a portion of the net proceeds of this offering in connection with the repayment of a portion of the outstanding indebtedness under our Revolving Credit Facility.



Table of Contents**CAPITALIZATION**

The following table sets forth our combined cash and cash equivalents, total debt and stockholders' equity as of September 30, 2016:

on an actual basis;

as adjusted for common stock issued in connection with the Firewheel acquisition and the issuance of 8 1/8% Series B Cumulative Perpetual Convertible Preferred Stock in October 2016.

on an as adjusted basis to give effect to the issuance and sale of our common stock offered hereby and the application of the estimated net proceeds therefrom (assuming no exercise of the underwriters' option to purchase additional shares of our common stock) as set forth under "Use of Proceeds."

You should read the information in conjunction with our consolidated unaudited financial statements incorporated by reference in the prospectus supplement and the accompanying prospectus.

	<b>As of September 30, 2016</b>		
	<b>Actual</b>	<b>As Adjusted for October 2016 Issuances</b>	<b>As Adjusted for this Offering</b>
		(in thousands)	
		(unaudited)	
Cash and cash equivalents	\$ 908	\$ 908	\$
Long term debt:			
Revolving Credit Facility	\$ (1,414)	\$ 29,086	\$
Secured Term Loan Facility	121,319	121,319	
8.50% Senior Notes due 2020	396,891	396,891	
Total long term debt (1)	\$ 516,796	\$ 547,296	\$
Stockholders' equity (deficit):			
Common Stock, \$0.0001 par value 15,463,882 shares issued and outstanding on an actual and an as adjusted basis (2)(3)	2	2	
8 1/8% Series B Cumulative Perpetual Convertible Preferred Stock, \$0.0001 par value 62,500 shares issued and outstanding			

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Additional paid-in capital	664,338	786,237
Retained earnings	(1,003,481)	(1,003,481)
Total stockholders equity (deficit)	(339,141)	(217,242)
Total capitalization	\$ 178,563	