

## Frequently Asked Questions

### Unit Corporation's New Equity and Warrants

**Q. When did Unit emerge from bankruptcy?**

A. September 3, 2020.

**Q. What happened to Unit's common stock at emergence?**

A. Unit's old common stock was cancelled at emergence.

**Q. When will the warrants be issued?**

A. We issued approximately 1.8 million warrants on December 21, 2020 to holders of our old common stock that did not opt out of the releases under our bankruptcy plan and owned their shares of old common stock in street name through the facilities of The Depository Trust Company ("DTC"). We expect to issue approximately 79,000 more warrants to holders of old common stock that did not opt out of the releases under our bankruptcy plan and owned their shares through direct registration with the Company's transfer agent ("Direct Registration"). Under our bankruptcy plan, such additional Warrants will be issued in book-entry form through the facilities of DTC, and each holder owning shares of old common stock through Direct Registration must provide brokerage account information to the Company to receive such holder's distribution of warrants. Holders of shares of the old common stock that owned shares through Direct Registration should contact Prime Clerk, LLC at (877) 720-6581 (Toll Free) or (646) 979-4412 (Local) to obtain the forms necessary to receive their distribution. Any distribution not made by September 3, 2021 will be deemed forfeited.

**Q. Do the old stockholders get anything?**

A. Yes, holders of Unit's old common were entitled to receive warrants in the new common stock unless they opted out of the releases under our bankruptcy plan. Holders of shares of the old common stock that owned shares through direct registration with the Company's transfer agent should contact Prime Clerk, LLC at (877) 720-6581 (Toll Free) or (646) 979-4412 (Local) to obtain the forms necessary to receive their distribution. Any distribution not made by September 3, 2021 will be deemed forfeited.

**Q. How many warrants do the old stockholders get?**

A. Holders of Unit's old common stock that did not opt out of the plan releases are entitled to receive 0.03460447 warrant for every share of old common stock owned. Each warrant will initially be exercisable for one share of our new common stock, subject to adjustment as provided in the Warrant Agreement, a copy of which is available in our filings with the Securities and Exchange Commission.

**Q. Are the warrants tradeable?**

A. The warrants are only tradeable in private transactions. There is not a public market for the warrants to trade.

**Q. What is the strike price of the warrants?**

A. The strike price of the warrants will be determined after the disputed general unsecured claims ("GUCs") against the Company and its subsidiary Unit Petroleum Company have been finally resolved.

**Q. What is the expiration date for the warrants?**

A. The warrants will expire on the earliest of (i) 5:00 p.m., New York City time, September 3, 2027, (ii) the consummation of a "Cash Sale," as defined in the Warrant Agreement and (iii) the consummation of a liquidation, dissolution or winding up of the Company.

**Q. What is the value of the warrants?**

A. We do not provide valuations for the warrants, and we currently have no plan to list the warrants on a stock exchange or any of the OTC markets. We will announce the initial exercise price of the warrants once it becomes available.

**Q. Has the new common stock been issued?**

A. Most of the new common stock was issued on December 11, 2020.

**Q. How many shares of the new common stock will be issued?**

A. Our bankruptcy plan contemplates the issuance of 12 million shares in total. In addition, the plan also contemplates the issuance of 1,843,318

shares (subject to adjustment provided in the Warrant Agreement) issuable upon exercise of the warrants.

**Q. Who owns the new common stock?**

A. Approximately 10.5 million shares were initially issued to the owners of Unit's old bonds. 600,000 shares were issuable to Unit's bank group and all of those issued to the bank group were subsequently repurchased by Unit in June 2021 and are held in treasury. The remainder are being held in reserve and will be issued to holders of certain GUCs against the Company and its subsidiary Unit Petroleum Company following the resolution of those claims. Any of the shares held in reserve and not distributed in respect of the disputed GUCs will be distributed pro rata to the bondholders and holders of the allowed GUCs. Because of ongoing trading activity, we cannot tell who owns the outstanding shares today.

**Q. How many shares of common stock do the old bondholders get?**

A. Holders of Unit's old bonds received 16.19616462 shares of common stock for each \$1,000 principal amount of the bonds, representing a total of 10,527,507 shares as an initial distribution. Holders of the Company's old bonds may receive additional shares of common stock if shares held in reserve are not distributed in respect of disputed GUCs.

**Q. Is the new stock tradeable?**

A. Holders of old bonds that now own the new stock, other than holders that qualify as our affiliates, may generally freely resell such new stock under the securities laws. Our new stock is listed on the OTC Pink under the symbol "UNTC". Investors should be aware that our certificate of incorporation contains certain restrictions on the transfer of the new common stock by persons with a "Percentage Stock Ownership" (as defined in our certificate of incorporation) of 4.75% or more.

**Q. On which OTC platform will the new common stock trade?**

A. Unit's stock currently trades on the OTC Pink under the symbol "UNTC".

**Q: What are the tax consequences to U.S. holders of the discharge of the old bonds and issuance of new common stock?**

A. The U.S. federal income tax treatment of the discharge of old bonds in exchange for new common stock is uncertain. The discharge of old bonds in exchange for new common stock may be characterized for U.S. federal income tax purposes as either: (1) a recapitalization or (2) a taxable exchange. The consequences of each such treatment are briefly summarized below:

- Recapitalization: If the exchange of old bonds for new common stock is treated as a recapitalization (as discussed further in the Unit Corp. Disclosure Statement), then: (i) a U.S. holder should generally not recognize any loss or gain (subject to the recognition of income for accrued but unpaid interest), (ii) such U.S. holder should have an aggregate tax basis in the new common stock equal to such U.S. holder's aggregate tax basis in the old bonds increased by any gain recognized by such U.S. holder on accrued but unpaid interest, and (iii) the holding period for such U.S. holder's new common stock should include the holding period of the old bonds (except to the extent such new common stock is attributable to accrued but unpaid interest, in which case the holding period of such new common stock would begin on the date following the date such U.S. holder is treated for U.S. federal income tax purposes as receiving new common stock). To the extent the old bonds were acquired with market discount, any market discount that accrued on the old bonds but was not recognized by the U.S. holder is carried over to such U.S. holder's new common stock and any gain recognized on any subsequent sale or other disposition of new common stock is treated as ordinary income to the extent of accrued, but not recognized, market discount.
- Taxable Exchange: If the exchange of old bonds for new common stock is treated as a taxable exchange, then: (i) each U.S. holder should generally recognize gain or loss equal to the difference between (x) the fair market value of the new common stock received in such exchange and (y) such U.S.

holder's adjusted tax basis in the old bonds, (ii) such U.S. holder should have a tax basis in the new common stock equal to the fair market value of the new common stock received in the exchange, and (iii) the holding period for such U.S. holder's new common stock should begin on the day following the date such U.S. holder is treated for U.S. federal income tax purposes as receiving new common stock. Whether such gain or loss is capital or ordinary in character will be determined by a number of factors relevant to each U.S. holder.

For a more complete discussion of the U.S. federal income tax consequences related to the exchange of old bonds for new common stock, please refer to the Unit Corp. Disclosure Statement filed in connection with Unit Corp.'s chapter 11 restructuring.