

CALLON PETROLEUM CO

Form 424B3

May 20, 2013

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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-176811

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are part of an effective registration statement filed with the Securities and Exchange Commission. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and they are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, Dated May 20, 2013

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus dated February 17, 2012)

Shares

Callon Petroleum Company

% Series A Cumulative Preferred Stock

\$ Per Share

Liquidation Preference \$50.00 Per Share

We are offering shares of our % Series A Cumulative Preferred Stock, par value \$0.01 per share, which we refer to in this prospectus supplement as the Series A Preferred Stock. Holders of the Series A Preferred Stock will be entitled to cumulative dividends (whether or not declared) in the amount of \$ per share each year, which is equivalent to % of the \$50.00 liquidation preference per share from, but not including, the date of issuance. Dividends on the Series A Preferred Stock will be payable quarterly in arrears on the last day of March, June, September and December of each year (provided that if any dividend payment date is not a business day, then the dividend which would otherwise have been payable on that dividend payment date may be paid on the next succeeding business day) when, as and if declared by our board of directors, beginning June 30, 2013.

Investors in the Series A Preferred Stock generally will have no voting rights, but will have limited voting rights if we fail to pay dividends for six or more quarters (whether or not consecutive) and under certain other circumstances.

We may not redeem the Series A Preferred Stock before May , 2018, except as described below. On or after May , 2018, we may, at our option, redeem the Series A Preferred Stock, in whole or in part, by paying \$50.00 per share, plus any accrued and unpaid dividends to the redemption date. If at any time a Change of Control, as defined in this prospectus supplement, occurs, we (or the acquiring company) will have the option to redeem the Series A Preferred Stock, in whole or in part, within 120 days after the date on which the Change of Control has occurred at \$50.00 per share plus accrued and unpaid dividends to the redemption date. The Series A Preferred Stock will have no stated maturity and will not be subject to any sinking fund or other mandatory redemption.

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If not redeemed upon a Change of Control, each holder of Series A Preferred Stock will have the right to convert some or all of the Series A Preferred Stock held by such holder into common stock, as further described herein.

The Series A Preferred Stock is a new issue of securities with no established trading market. We plan to file an application to list the Series A Preferred Stock on the New York Stock Exchange (NYSE) under the symbol CPE.A. If that application is approved, trading of the Series A Preferred Stock on the NYSE is expected to begin within 30 days after the date of initial delivery of the Series A Preferred Stock.

	Per Share	Total
Public Offering Price	\$	\$
Underwriting Commissions	\$	\$
Proceeds, Before Expenses, to Us	\$	\$

The underwriters are selling shares of the Series A Preferred Securities offered in this prospectus supplement on a best efforts basis and are not required to sell any specific number or dollar amount of the securities offered by this prospectus supplement, but will use their commercially reasonable best efforts to sell such securities. The underwriters will receive a commission with respect to such sales. There is no arrangement for funds to be received in escrow, trust or similar arrangement. For additional information regarding our arrangement with the underwriter and underwriting compensation, please see Underwriting beginning on page S-45 of this prospectus supplement.

Investing in the Series A Preferred Stock involves a high degree of risk. You should carefully consider the risks relating to an investment in the Series A Preferred Stock and each of the other risk factors described under Risk Factors beginning on page S-17 of this prospectus supplement and in our reports filed with the Securities and Exchange Commission, which are incorporated by reference herein, before you make an investment in our securities.

We expect that delivery of the Series A Preferred Stock will be made to investors through the book-entry facilities of The Depository Trust Company on or about May , 2013.

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

Joint Book-Running Managers

Janney Montgomery Scott

Sterne Agee
Co-Managers

MLV & Co.

Dougherty & Company LLC

The date of this prospectus supplement is May , 2013

Northland Capital Markets

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You should rely only upon the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to give any information or make any representation about us that is different from or in addition to, that contained in this prospectus supplement and the accompanying prospectus or in any of the materials that we have incorporated by reference into this prospectus supplement and the accompanying prospectus. See Incorporation of certain documents by reference. Therefore, if anyone does give you information of this sort, you should not rely on it as authorized by us. If you are in a jurisdiction where offers to sell, or solicitations of offers to purchase, the securities offered by this prospectus supplement and the accompanying prospectus are unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this prospectus supplement and the accompanying prospectus does not extend to you. Neither the delivery of this prospectus supplement and the accompanying prospectus, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in our affairs since the date on the front cover of this prospectus supplement or that the information contained or incorporated by reference herein is correct as of any time subsequent to the date of such information.

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EXTENDED SETTLEMENT

We expect that delivery of the shares of the Series A Preferred Stock will be made to investors on or about the fifth business day following the date of the final prospectus supplement (this settlement cycle being referred to as T+5). Under Rule 15c6-1 of the Securities Exchange Act of 1934, as amended (the Exchange Act), trades in the secondary market are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, if you wish to trade shares of the Series A Preferred Stock before their delivery, you will be required, because the shares initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. If you wish to trade shares of the Series A Preferred Stock before their delivery, you should consult your advisors.

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ABOUT THIS PROSPECTUS SUPPLEMENT

Unless otherwise noted, or the context otherwise requires, the terms the Company, we, us and our refer collectively to Callon Petroleum Company and its predecessors and subsidiaries. You should read both this prospectus supplement and the accompanying prospectus, together with the additional information incorporated by reference under Incorporation of Certain Documents by Reference.

This prospectus supplement summarizes the specific terms of the securities being offered and supplements the general descriptions set forth in the attached prospectus. This prospectus supplement may also update or supersede information in the attached prospectus. In the case of inconsistencies, this prospectus supplement will apply.

Northland Capital Markets is the trade name for certain capital markets and investment banking activities of Northland Securities, Inc., member FINRA/SIPC.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission, or SEC, under the Securities Exchange Act of 1934, as amended, or the Exchange Act. You may read and copy this information at the following SEC location:

Public Reference Room

100 F Street, N.E.

Washington, D.C. 20549

You can also obtain copies of these documents at prescribed rates by writing to the Public Reference Room of the SEC. You may obtain information on the operation of the Public Reference Room by calling the SEC at (800) SEC-0330. The SEC also maintains a web site that contains reports, proxy statements and other information about issuers, like Callon Petroleum Company, who file electronically with the SEC. The address of that web site is www.sec.gov. Unless specifically listed under Incorporation of Certain Documents by Reference below, the information contained on the SEC website is not incorporated by reference in this prospectus supplement and you should not consider that information a part of this prospectus supplement.

In addition, our common stock is listed on the New York Stock Exchange and similar information concerning us can be inspected and copied at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

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INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The rules of the SEC allow us to incorporate by reference into this prospectus supplement and the accompanying prospectus the information we file with the SEC, which means that we can disclose important information to you by referring you to that information. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus, and later information that we file with the SEC will automatically update and supersede that information. We incorporate by reference the documents listed below and any future filings made by us with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until the offering of the Series A Preferred Stock is completed:

Our Annual Report on Form 10-K for the year ended December 31, 2012;

Our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013;

Our definitive Proxy Statement, in connection with our 2013 Annual Meeting of Stockholders filed April 4, 2013; and

The description of our common stock contained in our Registration Statement on Form 8-B filed with the SEC on October 3, 1994 and any amendments or reports filed for the purpose of updating that description.

All documents that we subsequently file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, and that are deemed filed prior to the termination of this offering, shall be deemed to be incorporated by reference into this prospectus supplement.

Any statement contained in this prospectus supplement or in a document incorporated or deemed to be incorporated by reference in this prospectus supplement shall be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference modifies or supersedes the statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

You may obtain any of the documents incorporated by reference in this prospectus supplement from the SEC through the SEC's website at the address provided above. We will provide you a copy of any or all of the information that has been incorporated by reference in this prospectus supplement (including exhibits to those documents specifically incorporated by reference in this document), at no cost, upon your written or oral request to us at the following address or telephone number:

Callon Petroleum Company

200 North Canal Street

Natchez, Mississippi 39120

Telephone: (601) 442-1601

Attn: Investor Relations

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FORWARD-LOOKING STATEMENTS

This prospectus supplement and the documents incorporated by reference in this prospectus supplement include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms such as anticipate, project, intend, estimate, expect, believe, predict, budget, projection, goal, plan, forecast, target or similar expressions intended to forward-looking statements.

All statements, other than statements of historical facts, included in this prospectus supplement and the documents incorporated by reference in this prospectus supplement that address activities, events or developments that we expect or anticipate will or may occur in the future are forwarding looking-statements, including such things as:

our oil and gas reserve quantities, and the discounted present value of these reserves;

the amount and nature of our capital expenditures;

drilling of wells;

the timing and amount of future production and operating costs;

business strategies and plans of management including the sale of our Habanero property; and

prospect development and property acquisitions.

Some of the risks, which could affect our future results and could cause results to differ materially from those expressed in our forward-looking statements, include:

general economic conditions including the availability of credit and access to existing lines of credit;

the volatility of oil and natural gas prices;

the uncertainty of estimates of oil and natural gas reserves;

the impact of competition;

the availability and cost of seismic, drilling and other equipment;

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operating hazards inherent in the exploration for and production of oil and natural gas;

difficulties encountered during the exploration for and production of oil and natural gas;

difficulties encountered in delivering oil and natural gas to commercial markets;

changes in customer demand and producers' supply;

the uncertainty of our ability to attract capital and obtain financing on favorable terms;

compliance with, or the effect of changes in, the extensive governmental regulations regarding the oil and natural gas business including those related to climate change and greenhouse gases;

actions of operators of our oil and gas properties;

weather conditions; and

the risk factors discussed under the heading "Risk Factors" in this prospectus supplement and those discussed in the documents we have incorporated by reference.

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All forward-looking statements, expressed or implied, included in this prospectus supplement and the documents we incorporate by reference are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue.

Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this prospectus supplement.

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SUMMARY

The following summary highlights selected information about us and the offering and does not contain all of the information that is important to you. We encourage you to read this prospectus supplement and the accompanying prospectus in its entirety, including the information set forth under Risk Factors, and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. In addition, certain statements in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement are forward-looking statements, which involve risks and uncertainties. See Forward-Looking Statements.

The Company

Callon Petroleum Company has been engaged in the exploration, development, acquisition and production of oil and natural gas properties since 1950.

In 2009, we shifted our operational focus from the Gulf of Mexico to the acquisition, exploration, development and production of onshore properties located in the Permian Basin in Texas (specifically, the Midland Basin area) and the Haynesville shale in Louisiana. As of December 31, 2012, we had estimated net proved reserves of 14.1 million barrels of oil equivalent, comprised of 77% crude oil volumes. Approximately 67% of these volumes were located onshore in the Permian Basin. Our production for 2012 was 977 thousand barrels of oil and 3,588 million cubic feet of natural gas.

Our Strategy

Our objective is to enhance shareholder value by executing the following strategy:

Capitalize on onshore asset growth potential. We have built an acreage position of approximately 33,000 net acres in the Permian Basin, with potential for both vertical and horizontal drilling development. The increased reserve and production potential associated with our ongoing horizontal well program positions us to deliver meaningful asset growth in the coming years as we convert our acreage to production. Based on our evaluation efforts completed to date, our inventory of horizontal wells, targeting the Wolfcamp A and B shale zones in the southern and central Midland Basin was 112 identified locations as of January 1, 2013. We believe that there is the opportunity to add to this inventory from both additional target zones currently being tested by industry as well as downspacing of our current locations. In addition, we are in the process of evaluating the Mississippian lime in the northern Midland Basin which has the potential to add an additional 74 horizontal well locations. Our vertical well inventory, comprised of Wolfberry drilling opportunities, has recently been high-graded to focus on locations with the potential for incremental completion zones and currently stands at over 100 locations based on 40-acre spacing.

Focus on capital efficiency. A critical component of our growth strategy is maintaining a focus on the efficient deployment of capital, especially related to more capital intensive horizontal drilling efforts. We recently initiated a program development of our fields in Upton and Reagan counties, drilling multiple wells from a single pad and leveraging common infrastructure. These efforts, combined with ongoing learning curve impacts, have enabled us to drill our horizontal wells in 15 – 20 days. In addition, we have been successful in reducing the completion costs of these wells as our relationships with service providers have evolved over the last year. As a result, we estimate that the total cost of our horizontal Wolfcamp wells is in the range of \$6.0 to \$7.0 million, depending on lateral length and location in the basin.

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Maintain conservative financial profile. As part of our onshore transition strategy that began in 2009, we also focused on deleveraging our balance sheet in anticipation of increased onshore capital investment, resulting in a total debt (excluding deferred credit) to total capitalization ratio of 38% as of March 31, 2013. We also employ strategies to help reduce the risks associated with the oil and natural gas industry, utilizing derivatives contracts to help reduce the effects of volatile commodity prices. As of March 31, 2013, we have contracts covering approximately 45% and 20% of our projected 2013 oil and natural gas, respectively.

Our Strengths

Proven track record of reserve growth. Since acquiring 1.6 million barrels of oil equivalent of proved reserves in the Permian Basin in late 2009, we have grown our proved reserve base in the Permian Basin to 9.4 million barrels of oil equivalent at December 31, 2012. As a result, we extended our proved reserve life to 8.9 years as of December 31, 2012, reflecting the increased component of long-lived, oil assets from the Permian Basin within our asset base.

Free cash flow from offshore operations. Historically, our offshore properties have generated substantial free cash flow, which we have redeployed in the acquisition, exploration and development of onshore properties. In December 2012, we completed the sale of our interest in the deepwater Habanero field, monetizing our future cash flow from this asset for near-term investment in our Permian Basin operations. The core of our remaining Gulf of Mexico portion is a 15% working interest in the Medusa field which has been producing for almost 10 years. We have invested over \$260.0 million in our onshore initiatives since 2009, with a majority of this capital investment sourced from our Gulf of Mexico properties over that period.

Solid financial position for future growth. We believe we have a solid liquidity position, with \$37.0 million available under our revolving credit facility and \$2.0 million of cash balances as of May 6, 2013. The borrowing base amount under our revolving credit facility, which was recently increased 15% to \$75.0 million, is reviewed semi-annually by our lending group after receiving our updated proved reserve report. The next redetermination is scheduled for September 30, 2013. We have no near-term debt maturities, although we periodically repay borrowings outstanding under our revolving credit facility. Our long-term capital position also provides a strong foundation for future operations, with a total debt (excluding the deferred credit related to our senior notes due 2016) to last twelve months Adjusted EBITDA of 1.9x as of March 31, 2013.

Management Experience and Operational Strength. We have assembled a management team experienced in oil and natural gas acquisitions, exploration, development and production in the areas in which we focus our operations, with an average of 28 years of experience in their relevant fields of expertise. Our technical and operational teams continue to benefit from the knowledge gained from our increased level of activity in the Permian Basin and from the recent addition of new employees with significant experience in the region. Importantly, we operate 100% of our onshore properties, which provides us substantial control over the growth and development of our assets. In order to effectively manage our growing onshore position, we maintain a technical office in Houston, Texas and a field operations office in Midland, Texas.

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As of March 31, 2013, we owned an interest in approximately 123 gross wells. As of December 31, 2012, we had 14 million barrels of oil equivalent (MMBoe) of proved reserves, of which approximately 77% was crude oil and 48% was proved developed reserves. The following table sets forth information regarding proved reserves and production by geographic region.

	December 31, 2012					March 31, 2013			
	Total Proved Reserves (MBOE)	% Proved Developed	Oil as % of Total Proved Reserves	PV-10 (\$ in millions) ¹	Producing Wells	2012 Production	Reserve Life Index (Years) ²	First Quarter Daily Production (BOE/Day)	Net Acreage ³
Permian Basin	9,416	35.85%	76.56%	\$ 78,950	96	591	15.9	1,584	32,962
Gulf of Mexico	4,451	70.86%	80.23%	170,481	21	938	4.7	1,973	25,154
Haynesville	205	100.00%	0.00%	666	1	46	4.5	87	429
Total	14,072	47.86%	76.61%	\$ 250,097	118	1,575	8.9	3,644	58,545

- (1) Based on unweighted average prices as of the first of each month during the 12 months ended December 31, 2012 of \$94.74 per Bbl and \$2.76 per MMBtu.
- (2) Calculated by dividing total proved reserves as of December 31, 2012 by average net production for 2012.
- (3) Includes developed and undeveloped acreage. Excludes 64,963 net acres on federal lands in Nevada.

Recent Developments

On April 29, 2013, we announced the retention of an advisor to assist with the marketing of our Medusa property. Our decision to evaluate alternatives for this last remaining deepwater asset is the result of a comprehensive review of our portfolio of identified drilling locations and other prospective acreage over the last several months. Although Medusa is a high-quality oil field with near-term drilling potential, we believe that our Permian position represents a significant opportunity for increased capital allocation given the risk adjusted returns associated with our current Permian Basin portfolio. In addition, a potential sale transaction would provide us with the financial strength and flexibility to pursue complementary Permian Basin acquisitions with an improved overall cost of capital.

On May 9, 2013, we announced first quarter 2013 earnings and provided an operational update, highlighting the following:

Program development of Wolfcamp shale in southern Midland Basin yielding cost efficiencies and opportunities to accelerate completion schedule.

Third East Bloxom horizontal Wolfcamp B well recently producing over 1,003 barrels of oil equivalent per day during flowback period.

Revenue of \$22.5 million from daily production of 3,644 barrels of oil per day, or \$68.72 per barrel of oil equivalent produced. On May 10, 2013, we entered into the second amendment to our Fourth Amended and Restated Credit Agreement dated as of June 20, 2012 with Regions Bank, as administrative agent, and the other lenders party thereto (as amended, our Credit Facility), to allow us to pay quarterly Senior Unsecured Debt and Preferred Equity Charges (as defined in the Credit Facility) of \$5.5 million per quarter, so long as we are not in default under the Credit Facility. The amendment will become effective provided that we receive a minimum of \$30.0 million of net cash proceeds from a preferred equity offering.

Corporate Information

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Our principal executive offices are located at 200 North Canal Street, Natchez, Mississippi, 39120, and our telephone number is (601) 442-1601.

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THE OFFERING

The following is a brief summary of certain terms of the Series A Preferred Stock and this offering. For a more complete description of the terms of the Series A Preferred Stock, see "Description of Series A Preferred Stock" beginning on page S-25 of this prospectus supplement and "Description of Capital Stock" beginning on page 12 of the accompanying prospectus.

Issuer Callon Petroleum Company

Securities Offered shares of % Series A Preferred Stock, \$0.01 par value per share.

Best Efforts The underwriters are selling shares of the Series A Preferred Stock offered in this prospectus supplement on a "best efforts" basis and are not required to sell any specific number or dollar amount of the securities offered by this prospectus supplement, but will use their best efforts to sell such securities. However, one of the conditions to our obligation to sell any of the shares of Series A Preferred Stock through the underwriters is that, upon the closing of the offering, the shares would qualify for listing on the NYSE. In order to list, the NYSE requires that at least 100,000 shares of Series A Preferred Stock be outstanding and the shares must be held in the aggregate by at least 100 round lot stockholders in the United States holding an aggregate of at least \$2,000,000 in shares.

Dividends Holders of the Series A Preferred Stock will be entitled to receive, when, as and if declared by our board of directors, out of funds legally available for the payment of dividends, cumulative cash dividends on the Series A Preferred Stock at a rate of % per annum of the \$50.00 liquidation preference per share (equivalent to \$ per annum per share). Dividends will generally be payable quarterly in arrears on the last day of each March, June, September and December when, as and if declared by our board of directors. The first dividend payment date for the Series A Preferred Stock sold in this offering will be June 30, 2013, and the dividend payable on that date will be paid on July 1, 2013 (because June 30 is a Sunday) and in the amount of \$ per share. If any date on which dividends are first payable is not a business day, then the dividend is paid on the next succeeding business day, and no interest or additional dividends or other sums accrues as a result of any such delay. Dividends on the Series A Preferred Stock will accrue regardless of whether (i) the terms of any Senior Stock (as defined below) we may issue or agreements we may enter into, including any documents governing our indebtedness, at any time prohibit the current payment of dividends, (ii) we have earnings, (iii) there are funds legally available for the payment of such dividends; or (iv) such dividends are declared by our board of directors.

All payments of dividends made to the holders of Series A Preferred Stock will be credited against the previously accrued dividends on such shares of Series A Preferred Stock. We will credit any dividends paid on the Series A Preferred Stock first to the earliest accrued and unpaid dividend due.

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Optional Redemption

We may not redeem the Series A Preferred Stock prior to May 1, 2018, except pursuant to the special redemption upon a Change of Control discussed below. On and after May 1, 2018, we may redeem the Series A Preferred Stock for cash at our option, from time to time, in whole or in part, at a redemption price of \$50.00 per share, plus accrued and unpaid dividends (whether or not declared) to the redemption date. Please see the section entitled "Description of Series A Preferred Stock - Redemption - Optional Redemption."

Special Redemption upon Change of Control

Following a "Change of Control" (as defined below), we (or the acquiring company) will have the option to redeem the Series A Preferred Stock, in whole or in part, within 120 days after the date on which the Change of Control has occurred, for cash at \$50.00 per share, plus accrued and unpaid dividends (whether or not declared), to the redemption date. A "Change of Control" is when, after the original issuance of the Series A Preferred Stock, the following have occurred and are continuing:

the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of our company entitling that person to exercise more than 50% of the total voting power of all shares of our company entitled to vote generally in elections of directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts ("ADRs") representing such securities) listed on the NYSE, the NYSE MKT (the "NYSE MKT") or the NASDAQ Stock Market ("NASDAQ") or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE MKT or NASDAQ (collectively, a "National Exchange").

Conversion Rights

Upon the occurrence of a Change of Control, each holder of Series A Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem the Series A Preferred Stock) to convert some or all of the Series A Preferred Stock held by such holder on the Change of Control Conversion Date into a number of shares of our common stock (or equivalent value of alternative consideration) per share of Series A Preferred Stock to be converted equal to the lesser of:

the quotient obtained by dividing (1) the sum of the \$50.00 liquidation preference plus the amount of any accumulated and unpaid dividends to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date

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is after a record date for a Series A Preferred Stock dividend payment and prior to the corresponding Series A Preferred Stock dividend payment date, in which case no additional amount for such accumulated and unpaid dividends will be included in this sum) by (2) the Common Stock Price (as defined below); and

(the Share Cap), subject to certain adjustments; subject, in each case, to provisions for the receipt of alternative consideration as described in this prospectus supplement.

If, prior to the Change of Control Conversion Date, we have provided or provide a redemption notice, whether pursuant to our special optional redemption right in connection with a Change of Control or our optional redemption right, holders of Series A Preferred Stock will not have any right to convert the Series A Preferred Stock in connection with the Change of Control Conversion Right and any Series A Preferred Stock subsequently selected for redemption that has been tendered for conversion will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date.

For definitions of Change of Control Conversion Right, Change of Control Conversion Date and Common Stock Price and for a description of the adjustments and provisions for the receipt of alternative consideration that may be applicable to the Change of Control Conversion Right, see Description of the Series A Preferred Stock Limited Conversion Rights Upon a Change of Control.

Except as provided above in connection with a Change of Control, the Series A Preferred Stock is not convertible into or exchangeable for any other securities or property.

Ranking

The Series A Preferred Stock will rank: (i) senior to the common stock and any other equity securities we may issue in the future, the terms of which specifically provide that such equity securities rank junior to such Series A Preferred Stock, in each case with respect to payment of dividends and amounts upon liquidation, dissolution or winding up, referred to as Junior Stock, (ii) equal to any shares of equity securities that we may issue in the future, the terms of which specifically provide that such equity securities rank on par with such Series A Preferred Stock, in each case with respect to payment of dividends and amounts upon liquidation, dissolution or winding up, referred to as Parity Stock, (iii) junior to all other equity securities issued by us, the terms of which specifically provide that such equity securities rank senior to such Series A Preferred Stock, in each case with respect to payment of dividends and amounts upon liquidation, dissolution or winding up (any such issuance would require the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock), referred to as Senior Stock, and (iv) junior to all of our existing and future indebtedness. Please see the section entitled Description of the Series A Preferred Stock Ranking.

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Liquidation Preference	If we liquidate, dissolve or wind up our operations, the holders of the Series A Preferred Stock will have the right to receive \$50.00 per share, plus all accrued and unpaid dividends (whether or not declared) to and including the date of payment, before any payments are made to the holders of our common stock and any other Junior Stock. The rights of the holders of the Series A Preferred Stock to receive the liquidation preference will be subject to the proportionate rights of holders of each other future series or class of Parity Stock and subordinate to the rights of Senior Stock. Please see the Section entitled Description of the Series A Preferred Stock Liquidation Preference.
No Maturity or Mandatory Redemption	The Series A Preferred Stock does not have any stated maturity redemption date and will not be subject to any sinking fund or mandatory redemption provisions except for redemption at our option (or the option of the acquiring entity) under some circumstances upon a Change of Ownership or Control as described above or on or after May 1, 2018.
Voting Rights	Holders of Series A Preferred Stock generally have no voting rights. However, if we do not pay dividends on the Series A Preferred Stock for six or more quarterly periods, whether or not consecutive, the holders of the Series A Preferred Stock, voting as a single class with the holders of any other Parity Stock upon which like voting rights have been conferred and are exercisable, will be entitled to vote for the election of two additional directors to serve on our board of directors until we pay all dividends which we owe on the Series A Preferred Stock and Parity Stock. In addition, the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock (such series voting together as a separate class) is required for us to authorize, create or increase shares ranking senior to the Series A Preferred Stock or to effect certain amendments to our charter that would materially and adversely affect the terms of the Series A Preferred Stock. Please see the Section entitled Description of the Series A Preferred Stock Voting Rights.
Material US Federal Income Tax Considerations	The material U.S. federal income tax consequences of purchasing, owning and disposing of Series A Preferred Stock are described in the section entitled Material U.S. Federal Income Tax Considerations beginning on page S-37 of this prospectus supplement. You should consult your tax advisor with respect to the U.S. federal income tax consequences of owning the Series A Preferred Stock in light of your own particular situation and with respect to any tax consequences arising under the laws of any state, local, foreign or other taxing jurisdiction.