

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): **June 17, 2020 (June 12, 2020)**

LAREDO PETROLEUM, INC.

(Exact name of registrant as specified in charter)

Delaware

(State or other jurisdiction of incorporation or
organization)

001-35380

(Commission File Number)

45-3007926

(I.R.S. Employer Identification No.)

15 W. Sixth Street, Suite 900, Tulsa, Oklahoma

(Address of principal executive offices)

74119

(Zip Code)

Registrant's telephone number, including area code: **(918) 513-4570**

Not Applicable

(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))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value	LPI	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.05. Costs Associated with Exit or Disposal Activities.

On June 17, 2020 (the “Effective Date”), Laredo Petroleum, Inc. (“Laredo” or the “Company”) announced organization changes, which include a workforce reduction of 22 individuals. The changes were communicated to employees on the Effective Date and implemented immediately, subject to certain administrative procedures. In light of the COVID-19 pandemic and lower oil prices, the Company’s Board of Directors (the “Board”) continues to monitor and evaluate the Company’s business and strategy and to reduce costs and better position the Company for the future. In connection with these changes, the Company estimates that it will incur an aggregate of approximately \$4 million of one-time charges in the second quarter of 2020 comprising compensation, tax, professional, outplacement and insurance related expenses (the “Charges”). Included in the Charges are the severance payments described below in Item 5.02.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On the Effective Date, in connection with the organization changes, the Company announced the departure of Michael T. Beyer, the Company’s Senior Vice President and Chief Financial Officer, effective immediately. Mr. Beyer’s departure was not the result of any dispute or disagreement with the Company relating to the Company’s accounting practices or financial statements.

Pursuant to the Company’s Non-Change in Control Executive Severance Plan (the “Severance Plan”), Mr. Beyer will receive certain payments and benefits, including (i) a cash severance payment in an amount equal to 1.5 times his then current base salary plus 1.0 times his target bonus and a pro-rated portion for the 2020 fiscal year and (ii) an additional cash payment in an amount equal to (a) the approximate value that represents his unvested restricted stock awards, all of which were forfeited and canceled, and (b) a pro rata value that represents a portion of his unvested performance unit awards, all of which were forfeited and canceled.

In addition, the Severance Plan provides for payment by the Company of the premiums charged for COBRA coverage for Mr. Beyer and his dependents for a period not to exceed 18 months, payment for accrued but unused vacation days and payment for outplacement services. In addition, any vested but unexercised stock options granted to Mr. Beyer may be exercised during the ninety-day period following the Effective Date. All unvested stock options will be forfeited.

Mr. Beyer will receive the foregoing payments and benefits provided he signs and subsequently does not revoke the severance agreement, including his release of claims in favor of the Company, and he complies with the provisions of the Severance Plan, including the customary non-disclosure covenants.

Also on the Effective Date, the Company announced that the Board has appointed Bryan J. Lemmerman as Senior Vice President—Chief Financial Officer and Assistant Secretary effective as of June 30, 2020, replacing Mr. Beyer. Mr. Lemmerman, age 46, has over 15 years of experience in the energy exploration and production industry and most recently served as Vice President—Business Development and Treasurer of Chesapeake Energy Corporation (“Chesapeake”) from June 2015 to June 2020 where he led the company’s acquisition and development functions as well as the treasury and cash management functions since October 2019. Previously, he served as Chesapeake’s Vice President—Marketing from October 2014 to June 2015, Vice President—Strategic Planning from October 2013 to October 2014, Vice President—Finance from January 2012 to September 2013 and Director of Finance from May 2010 to December 2011. Mr. Lemmerman previously served as a director of FTS International, Inc., an independent hydraulic fracturing service company, since February 2013. Prior to joining Chesapeake, Mr. Lemmerman was a portfolio manager at hedge funds Highview Capital Management and Ritchie Capital Management and worked for several years at Deloitte & Touche. Mr. Lemmerman received his Bachelor of Business Administration in Accounting from Texas A&M University in 1996, his Master of Science in Accounting from Texas A&M University in 1997 and his Master of Business Administration from the University of Texas, McCombs School of Business in 2003.

In connection with his appointment, on June 12, 2020, Mr. Lemmerman delivered his executed offer letter (the “Offer Letter”) to the Company, which provides for an annual base salary of \$440,000 and a short-term incentive cash target and long-term incentive equity grant target (both as a percentage of base salary) of 90% and 350%, respectively. The Offer Letter also provides for (i) a one-time new hire restricted stock award equal to \$880,000, vesting in equal installments over a three-year period and (ii) a one-time cash signing bonus of \$600,000, with the full amount recoverable by the Company in the event Mr. Lemmerman leaves within his first year of employment, and half recoverable in the event Mr. Lemmerman leaves the Company within his second year of employment.

In addition, Mr. Lemmerman will receive relocation benefits and participate in the Company's compensation and benefits plans, including the Company's change-in control and severance plans, in which the Company's named executive officers participate, as described in the Company's most recent proxy statement filed with the Securities and Exchange Commission.

In light of Mr. Beyer's departure, as of the Effective Date, the Board appointed (i) Mr. Mikell J. ("Jason") Pigott, President and Chief Executive Officer of the Company, to serve in the capacity of interim principal financial officer of the Company until Mr. Lemmerman's employment and (ii) Ms. Jessica R. Wren, prior Senior Director, Accounting of the Company, to serve as Interim Principal Accounting Officer of the Company.

Item 7.01. Regulation FD Disclosure.

On the Effective Date, the Company issued a press release announcing the organizational changes referenced herein. A copy of the press release is attached hereto as Exhibit 99.1.

In accordance with General Instruction B.2 of Form 8-K, the information furnished under this Item 7.01 of this Current Report on Form 8-K and the exhibit attached hereto is deemed to be "furnished" and shall not be deemed "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall such information and exhibit be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Safe Harbor Statement

This report contains forward-looking statements, including those related to the expected nature, scope, costs, timing and benefits of the organization changes. Statements regarding future events are based on the Company's current expectations and are necessarily subject to associated risks related to the completion of the organization changes in the manner anticipated by the Company. These statements are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including, but not limited to, uncertain economic and industry conditions, the Company's ability and timing to implement the changes described above, the Company's ability to achieve the anticipated benefits and other risks described in the Company's filings from time to time with the Securities and Exchange Commission, including under the caption "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and its Quarterly Report on Form 10-Q for the period ended March 31, 2020. Readers are cautioned not to place undue reliance on these forward-looking statements. The Company intends these forward-looking statements to speak only as of the time of this communication and does not undertake to update or revise them.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press release dated June 17, 2020.
104	Cover Page Interactive Data File (formatted as Inline XBRL).

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.

LAREDO PETROLEUM, INC.

Date: June 17, 2020

By: /s/ Mark D. Denny

Mark D. Denny

Senior Vice President and General Counsel



15 West 6th Street, Suite 900 · Tulsa, Oklahoma 74119 · (918) 513-4570 · Fax: (918) 513-4571
www.laredopetro.com

Laredo Petroleum Names Bryan Lemmerman as Senior Vice President and Chief Financial Officer

TULSA, OK - June 17, 2020 - Laredo Petroleum, Inc. (NYSE: LPI) ("Laredo" or the "Company"), today named Bryan Lemmerman as Senior Vice President and Chief Financial Officer, effective June 30, 2020. Michael Beyer will be leaving the Company effective June 17, 2020.

Mr. Lemmerman has more than 15 years of experience in the energy exploration and production industry, including an extensive background in strategic planning and business development. He previously spent 10 years with Chesapeake Energy Corporation ("Chesapeake"), serving in financial roles with increasing responsibility, most recently as Vice President – Business Development and Treasurer. Prior to joining Chesapeake, Mr. Lemmerman was a portfolio manager at Highview Capital Management and Ritchie Capital Management, overseeing investments in public and private energy companies. He began his career as a tax consultant with Deloitte & Touche. Mr. Lemmerman holds a Bachelor of Business Administration in Accounting and Master of Science in Accounting from Texas A&M University and a Master of Business Administration from the University of Texas.

"I am excited to welcome Bryan to the Laredo team," stated Jason Pigott, President and Chief Executive Officer. "His strong financial background and leadership role in numerous acquisition and divestiture projects fit perfectly with the strategy we are planning to execute to build the Company's scale and increase margins. I would also like to thank Michael for his many contributions to Laredo during his 13 years with the Company and his integral role in leading the Company through our recent debt issuance and credit facility redetermination. We wish him well in his future endeavors."

Separately, the Company has taken additional actions to further reduce personnel expenses. Through a combination of reductions in headcount and director and officer compensation, personnel costs for full-year 2020 are expected to be reduced by approximately 10% from full-year 2019 levels.

"Although oil prices have rebounded from the historic lows reached just six weeks ago, we remain committed to maintaining our competitive cost structure and have taken decisive action to support corporate-level returns," explained Mr. Pigott. "Decisions to cut personnel costs are never easy, but we have focused compensation reductions primarily at the officer and director level. We regard our low cost structure as a competitive advantage and are continually focused on making the necessary adjustments in this challenging price environment."

About Laredo

Laredo Petroleum, Inc. is an independent energy company with headquarters in Tulsa, Oklahoma. Laredo's business strategy is focused on the acquisition, exploration and development of oil and natural gas properties, primarily in the Permian Basin of West Texas.

Additional information about Laredo may be found on its website at www.laredopetro.com.

Forward-Looking Statements

This press release and any oral statements made regarding the subject of this release contain forward-looking statements as defined under Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, that address activities that Laredo assumes, plans, expects, believes, intends, projects, indicates, enables, transforms, estimates or anticipates (and other similar expressions) will, should or may occur in the future are forward-looking statements. The forward-looking statements are based on management's current belief, based on currently available information, as to the outcome and timing of future events. Such statements are not guarantees of future performance and involve risks, assumptions and uncertainties, including, but not limited to, the ability of Laredo to manage its cost structure and execute its strategy.

General risks relating to Laredo include, but are not limited to, the decline in prices of oil, natural gas liquids and natural gas and the related impact to financial statements as a result of asset impairments and revisions to reserve estimates, oil production quotas or other actions that might be imposed by the Organization of Petroleum Exporting Countries and other producing countries ("OPEC+"), the outbreak of disease, such as the coronavirus ("COVID-19") pandemic, and any related government policies and actions, changes in domestic and global production, supply and demand for commodities, including as a result of the COVID-19 pandemic and actions by OPEC+, long-term performance of wells, drilling and operating risks, the increase in service and supply costs, tariffs on steel, pipeline transportation and storage constraints in the Permian Basin, production curtailment, hedging activities, possible impacts of litigation and regulations, the impact of repurchases, if any, of securities from time to time, the impact of the recently implemented reverse stock split and other factors, including those and other risks described in its Annual Report on Form 10-K for the year ended December 31, 2019, its Quarterly Report on Form 10-Q for the period ended March 31, 2020 and those set forth from time to time in other filings with the Securities and Exchange Commission ("SEC"). These documents are available through Laredo's website at www.laredopetro.com under the tab "Investor Relations" or through the SEC's Electronic Data Gathering and Analysis Retrieval System at www.sec.gov. Any of these factors could cause Laredo's actual results and plans to differ materially from those in the forward-looking statements. Therefore, Laredo can give no assurance that its future results will be as estimated. Any forward-looking statement speaks only as of the date on which such statement is made and the Company does not intend to, and disclaims any obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

###

Contact:
Ron Hagood: (918) 858-5504 - RHagood@laredopetro.com
