
United States
Securities and Exchange Commission
Washington, D.C. 20549

Schedule TO

Tender Offer Statement under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934
(Amendment No. 1)

HAMMERHEAD ENERGY INC.

(Name of Subject Company (Issuer))

HAMMERHEAD ENERGY INC.

(Name of Filing Person (Offeror and Issuer))

Warrants to purchase Class A common shares

(Title of Class of Securities)

408302115

(CUSIP Number of Class of Securities)

Michael G. Kohut
Hammerhead Energy Inc.
Suite 2700, 525 - 8th Avenue SW
Calgary, Alberta T2P 1G1
Canada

(403) 930-0560

(Name, address, and telephone numbers of person authorized to receive notices and communications on behalf of filing persons)

Copy to:

Adam M. Givertz
Ian M. Hazlett
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, N.Y. 10019-6064
(212) 373-3000

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
 - Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)
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This Amendment No. 1 to the Tender Offer Statement on Schedule TO (this "**Amendment No. 1**") amends and supplements the Tender Offer Statement on Schedule TO filed with the U.S. Securities and Exchange Commission (the "**SEC**") on April 28, 2023 (as amended, the "**Schedule TO**"), by Hammerhead Energy Inc., a corporation incorporated under the laws of the Province of Alberta ("**Hammerhead**" or the "**Corporation**"), to the holders of its warrants to purchase Class A common shares (the "**Warrants**"), to purchase up to 20,000,000 of the Warrants at a price of US\$1.00 per Warrant in cash, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated April 27, 2023 (the "**Original Offer to Purchase**"), as supplemented and amended by the Notice of Variation, dated May 19, 2023 (the "**Notice of Variation**" and, together with the Original Offer to Purchase, the "**Offer to Purchase**"), the accompanying Issuer Bid Circular (the "**Original Circular**"), as supplemented and amended by the Notice of Variation (the Notice of Variation together with the Original Circular, the "**Circular**") and the related Letter of Transmittal and Notice of Guaranteed Delivery which, collectively, as amended or supplemented from time to time, constitute the "**Tender Offer**". This Amendment No. 1 should be read in conjunction with the Schedule TO and its exhibits. This Amendment No. 1 is made to amend and supplement the Original Offer to Purchase and the Original Circular, filed as Exhibit (a)(1)(A) to the Schedule TO. The Notice of Variation is being filed herewith as Exhibit (a)(1)(D).

Only those items amended are reported in this Amendment No. 1. Except as specifically set forth herein, this Amendment No. 1 does not modify any of the information previously reported on the Schedule TO. You should read this Amendment No. 1 together with the Schedule TO.

Amendments to the Original Offer to Purchase and Original Circular

The Original Offer to Purchase and Original Circular and the corresponding Items of the Schedule TO into which such information is incorporated by reference are hereby amended as follows.

On page iv of the Original Offer to Purchase, the first paragraph under the heading "Information for U.S. Warrantholders - Incorporation by Reference" is restated as follows:

For the purposes of the filing of this document with the SEC, the following documents are incorporated by reference in this Offer to Purchase and Circular: (i) the Corporation's Annual Report on Form 20-F for the year ended December 31, 2022 filed by Hammerhead with the Alberta Securities Commission and the Ontario Securities Commission on March 28, 2023 and with the SEC on March 29, 2023; and (ii) the Corporation's unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2023 and management's discussion and analysis thereon filed by Hammerhead with the Alberta Securities Commission and the Ontario Securities Commission on May 11, 2023 and included in the Corporation's Form 6-K furnished to the SEC on May 12, 2023 (collectively, the "Q1 Documents"). You should read the Annual Report on Form 20-F, the Q1 Documents and any other documents subsequently incorporated by reference herein for important information regarding the Corporation.

On page 1 of the Original Offer to Purchase, the response to the question, "What will the Purchase Price for the Warrants be and what will be the form of payment?" under the heading "Summary" is restated as follows:

The Purchase Price for the Warrants pursuant to the Offer is US\$1.00 per Warrant. Warrantholders should be aware that the Offer's \$1.00 Purchase Price falls significantly below the lower end of VRC's fair market value ranges contained in the Valuation (as defined herein) for both the Public Warrants and the Private Placement Warrants. If a Warrantholder's Warrants are purchased under the Offer, that Warrantholder will be paid the Purchase Price (subject to applicable withholding taxes, if any) in cash, without interest, promptly following the expiration of the Offer. Under no circumstances will we pay interest on the Purchase Price, even if there is a delay in making payment. See "Offer to Purchase - Purchase Price".

On page 4 of the Original Offer to Purchase, the response to the question, "Following the Offer, will Hammerhead continue as a public corporation?" under the heading "Summary" is restated as follows:

Yes. The purchase of Warrants pursuant to the Offer will not cause our Shares to be de-listed from Nasdaq or the TSX or cause us to be eligible for deregistration under the Exchange Act. Hammerhead will continue to be a reporting issuer in the provinces of Alberta and Ontario. Hammerhead believes that the purchase of Warrants pursuant to the Offer will not cause the remaining Warrants to be de-listed from Nasdaq or cause the Warrants to become eligible for deregistration under the Exchange Act. Hammerhead believes that the purchase of Warrants through the Offer will not cause the remaining Warrants to be de-listed from the TSX, provided that Hammerhead continues to be in compliance with the public distribution requirements for such Warrants on the TSX. See "Issuer Bid Circular - Purpose and Effect of the Offer".

On page 7 of the Original Offer to Purchase, the first paragraph under the heading "Section 2-Purchase Price" is restated as follows:

The Purchase Price is US\$1.00 per Warrant, for an aggregate purchase price not exceeding US\$20,000,000. Warrantholders should be aware that the Offer's \$1.00 Purchase Price falls significantly below the lower end of VRC's fair market value ranges contained in the Valuation for both the Public Warrants and the Private Placement Warrants. Upon the terms and subject to the conditions of the Offer (including the pro-ratio provisions described herein), all Warrantholders who have properly tendered and not withdrawn their Warrants will receive the Purchase Price, payable in cash (but subject to applicable withholding taxes, if any), for all Warrants purchased.

On page 13 of the Original Offer to Purchase, provision (c)(iii) under the heading "Section 7-Conditions of the Offer" is restated as follows:

(iii) any actual or potential existence, occurrence or continuation of any force majeure events, including any earthquakes, floods, hurricanes, a natural disaster, pandemic, outbreak, epidemic, or the commencement of a war, armed hostilities, act of terrorism, political instability or other international, national or regional calamity, crisis, emergency, act of God or any governmental or other response to any of the foregoing, directly or indirectly involving or affecting Canada, the United States or any other region where the Corporation maintains significant business activities that is reasonably likely to materially and adversely affect the Corporation's business, the trading in the Warrants or the Shares or the Corporation's ability to complete the Offer;

On page 13 of the Original Offer to Purchase, provision (c)(viii) under the heading "Section 7-Conditions of the Offer" is restated as follows:

(viii) a decrease or increase in the market price of the Warrants by 20% or more after the close of business on April 27, 2023;

On page 15 of the Original Offer to Purchase, provisions (m) and (q) under the heading "Section 7-Conditions of the Offer" are deleted.

On page 31 of the Original Circular, the final paragraph under the heading "Section 5-Price Range and Trading Volume of the Warrants" is restated as follows:

Hammerhead believes that the purchase of Warrants pursuant to the Offer will not cause the remaining Warrants to be de-listed from Nasdaq or cause the Warrants to become eligible for deregistration under the Exchange Act. Hammerhead believes that the purchase of Warrants through the Offer will not cause the remaining Warrants to be de-listed from the TSX, provided that Hammerhead continues to be in compliance with the public distribution requirements for such Warrants on the TSX.

Item 11. Additional Information

Item 11(c) of the Schedule TO is hereby amended and supplemented with the following:

The information in the Offer to Purchase and the accompanying Circular, a copy of which was previously filed with the Schedule TO as Exhibit (a)(1)(A), is being amended and/or supplemented by the Notice of Variation, filed herewith as Exhibit (a)(1)(D), which is incorporated herein by reference.

Item 12. Exhibits

Exhibit No.	Description
(a)(1)(A)*	Offer to Purchase, dated April 27, 2023, and the accompanying Issuer Bid Circular.
(a)(1)(B)*	Letter of Transmittal.
(a)(1)(C)*	Notice of Guaranteed Delivery.
(a)(1)(D)	Notice of Variation, dated May 19, 2023.
(a)(2)	Not applicable.
(a)(3)	Not applicable.
(a)(4)	Not applicable.
(a)(5)(A)*	News Release, dated April 27, 2023.
(a)(5)(B)*	Summary Advertisement, dated April 28, 2023.
(a)(5)(C)	Unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2023 (incorporated by reference to Exhibit 99.1 to the Corporation's Report on Form 6-K furnished to the SEC on May 12, 2023).
(a)(5)(D)	Management's Discussion and Analysis for the three months ended March 31, 2023 (incorporated by reference to Exhibit 99.2 to the Corporation's Report on Form 6-K furnished to the SEC on May 12, 2023).
(a)(5)(E)	News Release, dated May 19, 2023.
(b)(1)††*	Fourth Amended and Restated Credit Agreement dated June 9, 2022 between Hammerhead Resources Inc., as borrower, Canadian Imperial Bank of Commerce, National Bank of Canada, ATB Financial, Business Development Bank of Canada and Canadian Western Bank, as lenders, incorporated by reference to Exhibit 10.10 to the Corporation's Registration Statement on Form F-4 (File No. 333-267830) filed with the SEC on November 18, 2022.
(b)(2)††*	Consent and Second Amending Agreement dated December 15, 2022 between Hammerhead Resources Inc., as borrower, Canadian Imperial Bank of Commerce, Royal Bank of Canada, ATB Financial, Business Development Bank of Canada and Canadian Western Bank, as lenders and Canadian Imperial Bank of Commerce, a Canadian chartered bank, as Agent, incorporated by reference to Exhibit 10.10 to the Corporation's Registration Statement on Form F-4 (File No. 333-267830) filed with the SEC on December 21, 2022.
(d)(1)*	Business Combination Agreement, dated September 25, 2022 by and among Decarbonization Plus Acquisition Corporation IV ("DCRD"), Hammerhead Resources Inc. ("Hammerhead Resources"), 2453729 Alberta ULC and the Corporation, incorporated by reference to Exhibit 2.1 to the Corporation's Registration Statement on Form F-4 (File No. 333-267830) filed with the SEC on October 11, 2022.
(d)(2)*	Amended and Restated Warrant Agreement by and among the Corporation, Computershare Inc. and Computershare Trust Company, N.A., incorporated by reference to Exhibit 2.1 to the Corporation's Shell Company Report on Form 20-F filed with the SEC on March 1, 2023.
(d)(3)*	Warrant Assignment and Assumption Agreement by and among the Corporation, DCRD, Continental Stock Transfer & Trust Company, Computershare Inc. and Computershare Trust Company, N.A., as Warrant Agent, incorporated by reference to Exhibit 2.2 to the Corporation's Shell Company Report on Form 20-F filed with the SEC on March 1, 2023.
(d)(4)*	Amended and Restated Registration Rights Agreement by and among the Corporation and the holders named therein, incorporated by reference to Exhibit 2.3 to the Corporation's Shell Company Report on Form 20-F filed with the SEC on March 1, 2023.

- (d)(5)* [Form of Lock-up Agreement, dated as of September 25, 2022, incorporated by reference to Exhibit 10.6 to the Corporation's Registration Statement on Form F-4 \(File No. 333-267830\) filed with the SEC on October 11, 2022.](#)
- (d)(6)* [Amended and Restated Indenture dated June 19, 2020 between Hammerhead Resources as issuer, Prairie Lights Power GP Inc. and Prairie Lights Power Limited Partnership, as guarantors and Computershare Trust Company, N.A., as trustee, incorporated by reference to Exhibit 4.5 to the Corporation's Registration Statement on Form F-4 \(File No. 333-267830\) filed with the SEC on December 6, 2022.](#)
- (d)(7)* [Hammerhead Energy Inc. Legacy Share Award Plan, incorporated by reference to Exhibit 4.8 to the Corporation's Shell Company Report on Form 20-F filed with the SEC on March 1, 2023.](#)
- (d)(8)* [Hammerhead Energy Inc. Legacy Share Option Plan, incorporated by reference to Exhibit 4.9 to the Corporation's Shell Company Report on Form 20-F filed with the SEC on March 1, 2023.](#)
- (d)(9)* [Hammerhead Energy Inc. Equity Incentive Award Plan, incorporated by reference to Exhibit 4.10 to the Corporation's Shell Company Report on Form 20-F filed with the SEC on March 1, 2023.](#)
- (d)(10)* [Hammerhead Energy Inc. Share Option Plan, incorporated by reference to Exhibit 4.11 to the Corporation's Shell Company Report on Form 20-F filed with the SEC on March 1, 2023.](#)
- (d)(11)* [Sponsor Support Agreement, dated as of September 25, 2022, by and among DCRD, Decarbonization Plus Acquisition Corporation IV Sponsor LLC \("DCRD Sponsor"\), Riverstone Global Energy and Power Fund V \(Cayman\), L.P., Hammerhead Resources and the Corporation, incorporated by reference to Exhibit 10.7 to the Corporation's Registration Statement on Form F-4 \(File No. 333-267830\) filed with the SEC on October 11, 2022.](#)
- (d)(12)* [Sponsor Side Letter, dated as of September 25, 2022, by and among DCRD, DCRD Sponsor, Riverstone Global Energy and Power Fund V \(Cayman\), L.P. and certain subsidiaries thereof, incorporated by reference to Exhibit 10.5 to DCRD's Current Report on Form 8-K \(File No. 001-40731\) filed with the SEC on September 26, 2022.](#)
- (g) Not applicable.
- (h) Not applicable.
- 107* [Filing Fee Table.](#)

- † Schedules to this exhibit have been omitted pursuant to Instruction 1 to Item 1016 of Regulation M-A. The Corporation hereby agrees to furnish a copy of any omitted schedules to the Securities and Exchange Commission upon request.
- ‡ Certain portions of this exhibit have been redacted and separately filed with the Securities and Exchange Commission pursuant to a request for confidential treatment.
- * Previously filed.
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Signature

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

HAMMERHEAD ENERGY INC.

By: /s/ Scott Sobie

Name: Scott Sobie

Title: President and Chief Executive Officer

Date: May 19, 2023

*This document is important and requires your immediate attention. If you are in any doubt as to how to deal with it, you are urged to consult your broker, dealer, bank manager, lawyer, accountant or other professional advisor. This document should be read in conjunction with the offer to purchase (the "**Offer to Purchase**") and accompanying issuer bid circular dated April 27, 2023 (the "**Circular**"), and the related letter of transmittal (the "**Letter of Transmittal**") and notice of guaranteed delivery (the "**Notice of Guaranteed Delivery**").*

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer (as defined below) is not being made to Warrantheolders (as defined below) in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of that jurisdiction. However, Hammerhead (as defined below) may, in its sole discretion, take such action as it may deem necessary to make the Offer in any such jurisdiction and to extend this Offer to Warrantheolders in such jurisdiction in accordance with applicable laws.

This Offer has not been approved by any securities regulatory authority nor has any securities regulatory authority passed upon the fairness or merits of the Offer or upon the adequacy of the information contained in this document. Any representation to the contrary is an offence.

For U.S. Warrantheolders: Enforcement by U.S. Warrantheolders of civil liabilities under U.S. federal and state securities laws may be adversely affected by the fact that Hammerhead is incorporated under the Business Corporations Act (Alberta) and located in Canada, and that certain of its directors and officers and the experts named in the Offer are non-residents of the United States.

May 19, 2023

NOTICE OF VARIATION BY



HAMMERHEAD ENERGY INC.

IN RESPECT OF ITS

**OFFER TO PURCHASE UP TO 20,000,000 OF ITS WARRANTS
AT A PURCHASE PRICE OF US\$1.00 PER WARRANT**

This notice is issued in connection with the Offer to Purchase and Circular whereby Hammerhead Energy Inc. ("**Hammerhead**" or the "**Corporation**") offered to purchase for cancellation up to 20,000,000 warrants to purchase Class A common shares of the Corporation (the "**Warrants**") at a price of US\$1.00 per Warrant (the "**Purchase Price**"), subject to the terms and conditions set forth in the Offer to Purchase, Circular, Letter of Transmittal and Notice of Guaranteed Delivery (which together constitute the "**Offer**").

Hammerhead hereby gives notice that it is varying the terms of the Offer to reflect and incorporate certain amendments to the Offer to Purchase and Circular (the "**Amendments**") described in this notice of variation (the "**Notice of Variation**"), and, accordingly, the Offer to Purchase and Circular are hereby amended to reflect and incorporate the Amendments.

The Amendments are identical to those set out in Amendment No. 1 to the Tender Offer Statement on Schedule TO (the "**Schedule TO-I/A**"), which was filed by the Corporation with the United States Securities and Exchange Commission (the "**SEC**") on May 19, 2023. The Schedule TO-I/A amends and supplements the Tender Offer Statement on Schedule TO filed by the Corporation with the SEC on April 28, 2023. See "Notice of Variation - Amendments to the Offer".

This Notice of Variation should be read in conjunction with the Offer to Purchase, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery. All references to "**Offer to Purchase**" in the Offer to Purchase, Circular, Letter of Transmittal and Notice of Guaranteed Delivery mean the Offer to Purchase as amended hereby, all references in such documents to the "**Circular**" mean the Circular as amended hereby, and all references in such documents to the "**Offer**" mean the Offer to Purchase and Circular as amended hereby, together with the Letter of Transmittal and Notice of Guaranteed Delivery. Except as otherwise set forth herein, the terms and conditions set forth in the Offer continue to be applicable in all respects. Unless the context requires otherwise, capitalized terms used in this Notice of Variation and not defined herein that are defined in the Offer to Purchase and Circular have the respective meanings ascribed thereto in the Offer to Purchase and Circular.

Holders of Warrants ("**Warrantholders**") wishing to tender all or any portion of their Warrants pursuant to the Offer must comply in all respects with the delivery procedures described in the Offer to Purchase and Circular. See "Offer to Purchase - Procedure for Tendering Warrants" in the Offer to Purchase.

The Offer expires at 5:00 p.m. (Eastern Daylight Time) on June 2, 2023, unless withdrawn, extended or varied.

OUR BOARD OF DIRECTORS HAS AUTHORIZED US TO MAKE THE OFFER, HOWEVER, NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF THE CORPORATION OR THE BOARD OF DIRECTORS AS TO WHETHER WARRANTHOLDERS SHOULD TENDER OR REFRAIN FROM TENDERING WARRANTS PURSUANT TO THE OFFER. OUR DELIVERY OF THIS NOTICE OF VARIATION SHALL NOT UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED IN THIS NOTICE OF VARIATION IS CORRECT AS OF ANY TIME OTHER THAN THE DATE OF THIS NOTICE OF VARIATION OR THAT THERE HAVE BEEN NO CHANGES IN THE INFORMATION INCLUDED HEREIN OR THE AFFAIRS OF HAMMERHEAD OR ANY OF ITS SUBSIDIARIES OR AFFILIATES SINCE THE DATE HEREOF. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE OFFER OTHER THAN AS SET FORTH IN THIS NOTICE OF VARIATION AND THE OFFER. IF GIVEN OR MADE, ANY SUCH RECOMMENDATION OR ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CORPORATION, THE BOARD OF DIRECTORS, VALUATION RESEARCH CORPORATION OR COMPUTERSHARE INVESTOR SERVICES INC.

Any questions or requests for information regarding the Offer should be directed to Computershare Investor Services Inc., the depositary for the Offer (the "**Depositary**"), at the addresses and telephone numbers of the Depositary set forth on the last page of this Notice of Variation. Warrantholders may request additional copies of this Notice of Variation, the Offer to Purchase, the Circular and the related Letter of Transmittal and Notice of Guaranteed Delivery from the Depositary, which will promptly furnish to Warrantholders additional copies of these documents at the Corporation's expense.

INFORMATION FOR U.S. WARRANTHOLDERS

The Corporation has filed with the SEC a Schedule TO with respect to the Offer, as amended by the Schedule TO-I/A, pursuant to Section 13(e)(1) of the U.S. *Securities Exchange Act of 1934* (the "Exchange Act") and Rule 13e-4(c)(2) promulgated thereunder. See "Additional Information" in the Offer to Purchase and Circular.

THE OFFER HAS NOT BEEN APPROVED BY THE SEC OR ANY STATE SECURITIES COMMISSION NOR HAS THE SEC OR ANY STATE SECURITIES COMMISSION PASSED UPON THE FAIRNESS OR MERITS OF THE OFFER OR UPON THE ACCURACY OF THE INFORMATION CONTAINED IN THIS NOTICE OF VARIATION, THE OFFER TO PURCHASE AND CIRCULAR AND ANY RELATED DOCUMENTS, AND ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL AND MAY BE A CRIMINAL OFFENSE.

The enforcement by Warrantholders of civil liabilities under U.S. federal and state securities laws may be adversely affected by the fact that Hammerhead is incorporated under the laws of Alberta, that some of its officers and directors and some of the experts named in the Offer to Purchase and Circular are residents of countries other than the United States, and that all of the assets of Hammerhead and some of the assets of such persons are located outside the United States. It may be difficult to effect service of process on Hammerhead, its officers and directors and the experts named in the Offer to Purchase and Circular. In addition, U.S. Warrantholders should not assume that courts in Canada or in the countries where such directors and officers reside or in which Hammerhead's non-U.S. assets or the assets of such persons are located: (a) would enforce judgments of U.S. courts obtained in actions against Hammerhead or such persons predicated upon civil liability provisions of U.S. federal or state securities laws as may be applicable; or (b) would enforce, in original actions, any asserted liabilities against Hammerhead, its subsidiaries or such persons predicated upon such laws. Enforcement of any asserted civil liabilities under U.S. securities laws may be further adversely affected by the fact that some or all of the experts named in the Offer may be residents of Canada.

U.S. Warrantholders should be aware that the acceptance of the Offer will have certain tax consequences under United States and Canadian law. See "Issuer Bid Circular - Income Tax Consequences" in the Circular. Warrantholders should consult their own tax advisors with respect to their particular circumstances and tax considerations applicable to them.

Hammerhead is a "foreign private issuer" within the meaning of Rule 3b-4 under the Exchange Act. Consequently, Hammerhead is subject to the reporting requirements under the Exchange Act applicable to foreign private issuers and is not required to file periodic reports and financial statements with the SEC as frequently or as promptly as a U.S. company whose securities are registered under the Exchange Act. Hammerhead is also exempt from the rules and regulations under the Exchange Act related to the furnishing and content of proxy statements. Hammerhead is also not required to comply with Regulation FD, which addresses certain restrictions on the selective disclosure of material non-public information. In addition, among other matters, Hammerhead's officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of Warrants. Additionally, Nasdaq rules allow foreign private issuers to follow home country practices in lieu of certain of Nasdaq's corporate governance rules. As a result, Warrantholders may not have the same protections afforded to warrantholders of companies that are subject to all of the SEC's rules and the Nasdaq corporate governance requirements applicable to U.S. public companies.

NOTICE OF VARIATION

Hammerhead hereby gives notice that it is varying the terms of the Offer to reflect and incorporate the Amendments to the Offer to Purchase and Circular described below, and, accordingly, the Offer to Purchase and Circular are hereby amended to reflect and incorporate the Amendments. The Amendments are identical to those set out in the Schedule TO-I/A, which was filed by the Corporation with the SEC on May 19, 2023. The Schedule TO-I/A amends and supplements the Tender Offer Statement on Schedule TO filed by the Corporation with the SEC on April 28, 2023.

This Notice of Variation should be read in conjunction with the Offer to Purchase, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery. All references to "**Offer to Purchase**" in the Offer to Purchase, Circular, Letter of Transmittal and Notice of Guaranteed Delivery mean the Offer to Purchase as amended hereby, all references in such documents to the "**Circular**" mean the Circular as amended hereby, and all references in such documents to the "**Offer**" mean the Offer to Purchase and Circular as amended hereby, together with the Letter of Transmittal and Notice of Guaranteed Delivery. Except as otherwise set forth herein, the terms and conditions set forth in the Offer continue to be applicable in all respects. Unless the context requires otherwise, capitalized terms used in this Notice of Variation and not defined herein that are defined in the Offer to Purchase and Circular have the respective meanings ascribed thereto in the Offer to Purchase and Circular.

To the Warrantholders of Hammerhead:

1. NOTICE OF VARIATION

Quarterly Filing

Following the time of mailing of the Offer, Hammerhead filed its unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2023 and management's discussion and analysis thereon with the Alberta Securities Commission and the Ontario Securities Commission on May 11, 2023 and included in the Corporation's Form 6-K furnished to the SEC on May 12, 2023 (collectively, the "**Q1 Documents**").

For the purposes of the Offer to Purchase and Circular filed with the SEC, the Q1 Documents were deemed to be incorporated by reference in the Offer to Purchase and Circular. However, for clarity, Hammerhead has effected a consequential amendment to reflect the filing of the Q1 Documents. See "Notice of Variation - Amendments to the Offer" below in this Notice of Variation.

Amendments to the Offer

On May 19, 2023, the Corporation filed the Schedule TO-I/A with the SEC to reflect certain amendments to the Offer to Purchase and Circular. The Amendments are identical to those set out in the Schedule TO-I/A which was filed with the SEC on May 19, 2023. The Schedule TO-I/A amends and supplements the Tender Offer Statement on Schedule TO filed by the Corporation with the SEC on April 28, 2023.

As a result of the foregoing, the Offer to Purchase and Circular are hereby amended as follows.

On page iv of the Offer to Purchase, the first paragraph under the heading "Information for U.S. Warrantholders - Incorporation by Reference" is restated as follows:

For the purposes of the filing of this document with the SEC, the following documents are incorporated by reference in this Offer to Purchase and Circular: (i) the Corporation's Annual Report on Form 20-F for the year ended December 31, 2022 filed by Hammerhead with the Alberta Securities Commission and the Ontario Securities Commission on March 28, 2023 and with the SEC on March 29, 2023; and (ii) the Corporation's unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2023 and management's discussion and analysis thereon filed by Hammerhead with the Alberta Securities Commission and the Ontario Securities Commission on May 11, 2023 and included in the Corporation's Form 6-K furnished to the SEC on May 12, 2023 (collectively, the "**Q1 Documents**"). You should read the Annual Report on Form 20-F, the Q1 Documents and any other documents subsequently incorporated by reference herein for important information regarding the Corporation.

On page 1 of the Offer to Purchase, the response to the question, "What will the Purchase Price for the Warrants be and what will be the form of payment?" under the heading "Summary" is restated as follows:

The Purchase Price for the Warrants pursuant to the Offer is US\$1.00 per Warrant. Warrantholders should be aware that the Offer's \$1.00 Purchase Price falls significantly below the lower end of VRC's fair market value ranges contained in the Valuation (as defined herein) for both the Public Warrants and the Private Placement Warrants. If a Warrantholder's Warrants are purchased under the Offer, that Warrantholder will be paid the Purchase Price (subject to applicable withholding taxes, if any) in cash, without interest, promptly following the expiration of the Offer. Under no circumstances will we pay interest on the Purchase Price, even if there is a delay in making payment. See "Offer to Purchase - Purchase Price".

On page 4 of the Offer to Purchase, the response to the question, "Following the Offer, will Hammerhead continue as a public corporation?" under the heading "Summary" is restated as follows:

Yes. The purchase of Warrants pursuant to the Offer will not cause our Shares to be de-listed from Nasdaq or the TSX or cause us to be eligible for deregistration under the Exchange Act. Hammerhead will continue to be a reporting issuer in the provinces of Alberta and Ontario. Hammerhead believes that the purchase of Warrants pursuant to the Offer will not cause the remaining Warrants to be de-listed from Nasdaq or cause the Warrants to become eligible for deregistration under the Exchange Act. Hammerhead believes that the purchase of Warrants through the Offer will not cause the remaining Warrants to be de-listed from the TSX, provided that Hammerhead continues to be in compliance with the public distribution requirements for such Warrants on the TSX. See "Issuer Bid Circular - Purpose and Effect of the Offer".

On page 7 of the Offer to Purchase, the first paragraph under the heading "Section 2 -- Purchase Price" is restated as follows:

The Purchase Price is US\$1.00 per Warrant, for an aggregate purchase price not exceeding US\$20,000,000. Warrantholders should be aware that the Offer's \$1.00 Purchase Price falls significantly below the lower end of VRC's fair market value ranges contained in the Valuation for both the Public Warrants and the Private Placement Warrants. Upon the terms and subject to the conditions of the Offer (including the pro-ration provisions described herein), all Warrantholders who have properly tendered and not withdrawn their Warrants will receive the Purchase Price, payable in cash (but subject to applicable withholding taxes, if any), for all Warrants purchased.

On page 13 of the Offer to Purchase, provision (c)(iii) under the heading "Section 7 - Conditions of the Offer" is restated as follows:

(iii) any actual or potential existence, occurrence or continuation of any force majeure events, including any earthquakes, floods, hurricanes, a natural disaster, pandemic, outbreak, epidemic, or the commencement of a war, armed hostilities, act of terrorism, political instability or other international, national or regional calamity, crisis, emergency, act of God or any governmental or other response to any of the foregoing, directly or indirectly involving or affecting Canada, the United States or any other region where the Corporation maintains significant business activities that is reasonably likely to materially and adversely affect the Corporation's business, the trading in the Warrants or the Shares or the Corporation's ability to complete the Offer;

On page 13 of the Offer to Purchase, provision (c)(viii) under the heading "Section 7 - Conditions of the Offer" is restated as follows:

(viii) a decrease or increase in the market price of the Warrants by 20% or more after the close of business on April 27, 2023;

On page 15 of the Offer to Purchase, provisions (m) and (q) under the heading "Section 7 - Conditions of the Offer" are deleted.

On page 31 of the Circular, the final paragraph under the heading "Section 5 - Price Range and Trading Volume of the Warrants" is restated as follows:

Hammerhead believes that the purchase of Warrants pursuant to the Offer will not cause the remaining Warrants to be de-listed from Nasdaq or cause the Warrants to become eligible for deregistration under the Exchange Act. Hammerhead believes that the purchase of Warrants through the Offer will not cause the remaining Warrants to be de-listed from the TSX, provided that Hammerhead continues to be in compliance with the public distribution requirements for such Warrants on the TSX.

2. TIME FOR ACCEPTANCE

The expiration date of the Offer is not being extended at this time. The Offer will expire at 5:00 p.m. (Eastern Daylight Time) on June 2, 2023, unless withdrawn, extended or varied by Hammerhead.

3. MANNER OF ACCEPTANCE

Warrants may be tendered under the Offer in accordance with the provisions set out in Section 5 of the Offer to Purchase, "Procedure for Tendering Warrants". **Warrantheolders who have validly tendered and not withdrawn their Warrants need to take no further action to accept the Offer.**

4. TAKE-UP AND PAYMENT FOR DEPOSITED WARRANTS

Hammerhead will take up and pay for Warrants validly tendered under the Offer and not withdrawn as set forth in Section 9 of the Offer to Purchase, "Taking Up and Payment for Tendered Warrants".

5. WITHDRAWAL OF DEPOSITED WARRANTS

Warrantheolders have the right to withdraw Warrants tendered under the Offer in the circumstances and in the manner set forth in Section 6 of the Offer to Purchase, "Withdrawal Rights".

6. CANADIAN STATUTORY RIGHTS

Securities legislation of the provinces and territories of Canada provides Warrantheolders with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages if there is a misrepresentation in a circular or notice that is required to be delivered to the Warrantheolders. However, such rights must be exercised within prescribed time limits. Warrantheolders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

APPROVAL AND CERTIFICATE

May 19, 2023

The Board of Directors of Hammerhead Energy Inc. has approved the contents of the Offer to Purchase and the accompanying Issuer Bid Circular dated April 27, 2023 and this Notice of Variation dated May 19, 2023, and the sending, communication or delivery thereof to the holders of its warrants. The Offer to Purchase and the accompanying Issuer Bid Circular, as amended and supplemented by this Notice of Variation, contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

(signed) "*Scott Sobie*"
President, Chief Executive Officer and Director

(signed) "*Michael Kohut*"
Senior Vice President, Chief Financial Officer and Director

On behalf of the Board of Directors

(signed) "*A. Stewart Hanlon*"
Director

(signed) "*J. Paul Charron*"
Director

The Letter of Transmittal, certificates for Warrants and any other required documents must be sent or delivered by each Warrantholder or the Warrantholder's broker, dealer, commercial bank, trust company or other nominee to the Depositary at one of its mailing addresses specified below. Any other questions or requests may be directed to the Depositary at the email address and telephone numbers specified below.

Office of the Depositary for the Offer is:

Computershare Investor Services Inc.

Regular Mail:

Computershare Investor Services Inc.
P.O. Box 7021
31 Adelaide Street East
Toronto, ON M5C 3H2
Attention: Corporate Actions

Registered Mail, Hand or Courier:

8th Floor, 100 University Ave
Toronto, ON M5J 2Y1
Attention: Corporate Actions

For inquiries only:

Toll Free (within North America): 1 (800) 564-6253

Telephone (outside North America): 1 (514) 982-7555

Email: corporateactions@computershare.com

DELIVERY OF THE LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.

Any questions or requests for assistance may be directed to the Depositary at the addresses and telephone number specified above. Warrantholders also may contact their broker, commercial bank, trust company or other nominee for assistance concerning the Offer. Additional copies of the Offer to Purchase and Circular, the Letter of Transmittal, the Notice of Guaranteed Delivery and this Notice of Variation may be obtained from the Depositary. Manually executed photocopies of the Letter of Transmittal will be accepted.



Hammerhead Energy Inc. announces amendments to its substantial issuer bid

CALGARY, ALBERTA - May 19, 2023 - Hammerhead Energy Inc. ("**Hammerhead**" or "**HEI**") (TSX: HHRS, HHRS.WT ; NASDAQ: HHRS, HHRSW) announced today that it has effected certain amendments to its previously announced substantial issuer bid (the "**Offer**") to purchase for cancellation up to 20,000,000 of its warrants to purchase Class A common shares of Hammerhead (the "**Warrants**") at a purchase price of US\$1.00 per Warrant.

On May 19, 2023, Hammerhead filed with the United States Securities and Exchange Commission (the "**SEC**") Amendment No. 1 (the "**Schedule TO-I/A**") to the Tender Offer Statement on Schedule TO of Hammerhead reflecting certain amendments to the offer to purchase (the "**Offer to Purchase**") and accompanying issuer bid circular (the "**Circular**") of Hammerhead dated April 27, 2023. The Schedule TO-I/A amends and supplements the Tender Offer Statement on Schedule TO filed by Hammerhead with the SEC on April 28, 2023 (the "**Schedule TO**"). Hammerhead announces that it is varying the terms of the Offer to reflect and incorporate the amendments to the Offer to Purchase and Circular set forth in the Schedule TO-I/A.

The Offer remains otherwise subject to the terms and conditions set forth in the Schedule TO and the Offer to Purchase and Circular, as amended by a notice of variation dated as of today's date (the "**Notice of Variation**"). Hammerhead will be mailing the Notice of Variation to all registered holders of the Warrants and the Notice of Variation will also be available on Hammerhead's profiles on SEDAR and EDGAR (at www.sedar.com and www.sec.gov). Holders of Warrants ("**Warrantholders**") are urged to review these documents carefully as they contain important details with respect to the Offer and the procedures that Warrantholders must follow in order to properly tender their Warrants.

The expiration date of the Offer is not being extended at this time. The Offer will continue to expire at 5:00 p.m. (Eastern Daylight Time) on June 2, 2023, unless withdrawn, extended or varied by Hammerhead.

Hammerhead has retained Computershare Investor Services Inc. ("**Computershare**") to act as depositary for the Offer. Any questions or requests for information may be directed to Computershare at 1 (800) 564-6253 (Toll Free within North America) or 1 (514) 982-7555 (outside North America).

None of Hammerhead, its Board of Directors, or Computershare makes any recommendation to any Warrantholder as to whether to deposit or refrain from depositing Warrants under the Offer. Warrantholders are urged to evaluate carefully all information in the Offer, consult their own financial, legal, investment and tax advisors and make their own decisions whether to deposit Warrants under the Offer, or how many Warrants to deposit.

This news release is for informational purposes only and is not intended to and does not constitute an offer to purchase or the solicitation of an offer to sell Warrants. The solicitation and the Offer will only be made pursuant to the Offer documents filed with securities regulatory authorities, including the Schedule TO (as amended by the Schedule TO-I/A), including the Offer to Purchase and Circular, a letter of transmittal and related documents, filed by Hammerhead with the SEC, and the separate Offer to Purchase and Circular (as amended by the Notice of Variation), a letter of transmittal and related documents filed by Hammerhead with applicable securities regulatory authorities in Canada. The Offer will not be made to, nor will tenders of Warrants be accepted from or on behalf of, holders of Warrants in any jurisdiction in which the making or acceptance of offers to sell Warrants would not be in compliance with the laws of that jurisdiction. **WARRANTHOLDERS ARE STRONGLY URGED TO CAREFULLY READ THE SCHEDULE TO (AS AMENDED BY THE SCHEDULE TO-I/A), THE OFFER TO PURCHASE AND CIRCULAR (AS AMENDED BY THE NOTICE OF VARIATION), THE LETTER OF TRANSMITTAL AND RELATED DOCUMENTS FILED WITH SECURITIES REGULATORY AUTHORITIES, AS THEY MAY BE AMENDED FROM TIME TO TIME, BECAUSE THEY CONTAIN IMPORTANT INFORMATION.** Warrantholders may obtain free copies of the Offer to Purchase, the Circular, the letter of transmittal, the Notice of Variation and related documents filed with the SEC at the website maintained by the SEC at www.sec.gov or with applicable Canadian securities regulatory authorities under Hammerhead's profile on SEDAR at www.sedar.com (in each case, when available). Warrantholders may also obtain those materials from Computershare, the depositary for the Offer. Warrantholders are urged to read those materials and evaluate carefully all information related to the Offer, consult their own financial, legal, investment and tax advisors and make their own decisions as to whether to deposit Warrants pursuant to the Offer.

About Hammerhead Energy Inc.

HEI is a Calgary, Canada-based energy company, with assets and operations in Alberta targeting the Montney formation. Hammerhead Resources Inc., a wholly owned subsidiary of HEI, was formed in 2009.

Contacts:

For further information, please contact:

Scott Sobie

President & CEO

Hammerhead Energy Inc.

403-930-0560

Mike Kohut

Senior Vice President & CFO

Hammerhead Energy Inc.

403-930-0560

Kurt Molnar

Vice President Capital Markets & Corporate Planning

Hammerhead Energy Inc.

403-930-0560

Reader Advisory

Forward Looking Statements

Statements of future events or conditions in this news release, including projections, expectations and estimates are forward-looking statements within the meaning of applicable securities laws. Forward-looking statements can be identified by words such as believe, anticipate, intend, propose, plan, expect, future, continue, likely, may, should, will and similar references to future periods. Forward-looking statements in this news release include, but are not limited to, the terms and conditions of the Offer; references to the aggregate number of Warrants to be purchased for cancellation under the Offer; and the timing for expiration of the Offer.

Such forward-looking statements reflect the current views of HEI with respect to future events and are subject to certain risks, uncertainties and assumptions that could cause results to differ materially from those expressed in the forward-looking statements. These risks and uncertainties include but are not limited to: the impact of general economic and business conditions; commodity prices; foreign exchange rates and general market conditions; environmental risks; the ability of HEI to execute its business plan; pricing pressures and supply and demand in the oil and gas industry; general political and economic instability (including the ongoing Russian-Ukraine conflict); Hammerhead's expectations that the Offer will be funded by drawing on existing credit facilities; Hammerhead continuing to have sufficient capital resources and working capital following the completion of the Offer; risk that the conditions to completion of the Offer are not satisfied; and the anticipated benefits of the Offer. Readers are cautioned that the foregoing list is not exhaustive of all possible risks and uncertainties. With respect to forward-looking statements contained in this news release, HEI has made assumptions regarding, among other things: conditions in general economic and financial markets; current and future commodity prices and royalty regimes; future exchange rates; royalty rates; future operating costs; timing and amount of net expenditures; that Hammerhead will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; the expiration date of the Offer; ability to meet the conditions of the Offer; and that Hammerhead will be able to draw on its existing credit facilities to fund the Offer.

Forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties, some that are similar to other oil and gas companies and some that are unique to Hammerhead. Hammerhead's actual results may differ materially from those expressed or implied by its forward-looking statements and readers are cautioned not to place undue reliance on them. These forward-looking statements are made as of the date of this news release and Hammerhead undertakes no obligation to update any forward-looking statements contained herein, except as required by applicable law.
