

TETRA TECHNOLOGIES INC
Form 424B3
December 09, 2016
Table of Contents

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-210335

The information in this prospectus supplement is not complete and may be changed. This prospectus supplement is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion

Preliminary prospectus dated December 9, 2016

Prospectus supplement

(To prospectus dated April 13, 2016)

15,000,000 shares

Warrants to purchase 7,500,000 shares

and 7,500,000 shares issuable upon exercise of the warrants

TETRA Technologies, Inc.

We are selling (i) 15,000,000 shares of our common stock at a price of \$ _____ per share, (ii) warrants to purchase 7,500,000 shares of our common stock on or prior to the date that is 60 months after the date such warrants are issued at an exercise price of \$ _____ per share of common stock (the Warrants) and (iii) 7,500,000 shares of our common stock issuable upon exercise of the Warrants at the public offering price per share set forth below. The shares of our common stock, the Warrants, and the shares issuable upon the exercise of the Warrants are sometimes collectively referred to herein as the securities. See Description of Capital Stock on page 3 of the prospectus and Description of the Warrants on page S-13 of this prospectus supplement for a more complete description of the securities offered hereby.

Our shares trade on the New York Stock Exchange under the symbol TTI. On December 8, 2016, the last sale price of the shares as reported on the New York Stock Exchange was \$5.01 per share.

Investing in our common stock involves risks, including those described or referenced under Risk Factors on page S-5 of this prospectus supplement.

Per share(1) Total

Edgar Filing: TETRA TECHNOLOGIES INC - Form 424B3

Public offering price	\$	\$
Underwriting discounts(2)	\$	\$
Proceeds, before expenses, to us	\$	\$

(1) The Warrants are being offered for no additional consideration. The above proceeds do not include common stock that may be issued upon the exercise of the Warrants.

(2) Please read Underwriting (Conflicts of Interest) for a description of all underwriting compensation payable in connection with this offering. The underwriters may also exercise their option to purchase from us up to an additional 2,250,000 shares, and additional Warrants to purchase 1,125,000 shares, at the public offering price, less the underwriting discount, for 30 days after the date of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares and the Warrants offered hereby will be ready for delivery on or about December , 2016.

Joint book-running managers

J.P. Morgan

The date of this prospectus supplement is December , 2016.

Wells Fargo Securities

Table of Contents

Table of contents

Prospectus supplement

<u>About this prospectus</u>	S-ii
<u>Summary</u>	S-1
<u>Risk factors</u>	S-5
<u>Cautionary comment regarding forward-looking statements</u>	S-8
<u>Use of proceeds</u>	S-10
<u>Dilution</u>	S-11
<u>Price range of common stock</u>	S-12
<u>Description of the warrants</u>	S-13
<u>Dividend policy</u>	S-15
<u>Capitalization</u>	S-16
<u>Material U.S. federal income tax considerations</u>	S-18
<u>Underwriting (conflicts of interest)</u>	S-25
<u>Legal matters</u>	S-33
<u>Experts</u>	S-33
<u>Where you can find more information</u>	S-33
Prospectus	

<u>About this prospectus</u>	i
<u>Incorporation by reference</u>	ii
<u>Where you can find more information</u>	ii
<u>Cautionary statement regarding forward-looking statement</u>	iii
<u>TETRA Technologies, Inc.</u>	1
<u>Risk factors</u>	2
<u>Use of proceeds</u>	2
<u>Ratios of earnings to fixed charges</u>	2
<u>Description of capital stock</u>	3
<u>Description of debt securities</u>	6
<u>Description of warrants</u>	16
<u>Description of rights</u>	17
<u>Description of units</u>	17
<u>Plan of distribution</u>	18
<u>Legal matters</u>	19
<u>Experts</u>	19

Table of Contents

About this prospectus

This document is in two parts. This prospectus supplement, which describes the terms of this offering, adds to, updates and changes the information contained in the accompanying prospectus, which provides more general information. Generally, when we refer to the prospectus, we are referring to this prospectus supplement and the accompanying prospectus combined. If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. Before you invest in any securities, you should carefully read this prospectus supplement, along with the accompanying prospectus, in addition to the information contained in the documents incorporated by reference into this prospectus supplement and referred to under the heading "Where You Can Find More Information" in this prospectus supplement and the accompanying prospectus.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus filed with the Securities and Exchange Commission, or SEC, and used or referred to in an offering to you of these securities. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell, and seeking offers to buy, these securities only in jurisdictions where offers and sales are permitted. The information contained or incorporated by reference in this prospectus supplement is accurate only as of the date of this prospectus supplement, regardless of the time of delivery of this prospectus supplement or any related free writing prospectus or any sale of our securities. Our business, financial condition, results of operations and prospects may have changed since that date.

Table of Contents

Summary

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus or incorporated herein or therein by reference. This summary does not contain all of the information that may be important to you. You should read this entire prospectus supplement and the accompanying prospectus carefully, including the risks discussed under Risk Factors and Cautionary Comment Regarding Forward-Looking Statements included elsewhere in this prospectus supplement and the consolidated financial statements and notes thereto and other information incorporated by reference herein or in the accompanying prospectus. Unless otherwise indicated or unless the context otherwise requires, all references in this prospectus to TETRA, TETRA Technologies, our company, we, our, us or similar references mean TETRA Technologies, Inc. and its consolidated subsidiaries.

Our company

We are a geographically diversified oil and gas services company, focused on completion fluids and associated products and services, water management, frac flowback, production well testing, offshore rig cooling, compression services and equipment, and selected offshore services including well plugging and abandonment, decommissioning, and diving. We also have a limited domestic oil and gas production business. We are composed of five reporting segments organized into four divisions Fluids, Production Testing, Compression, and Offshore.

Our Fluids Division manufactures and markets clear brine fluids, additives, and associated products and services to the oil and gas industry for use in well drilling, completion, and workover operations in the United States and in certain countries in Latin America, Europe, Asia, the Middle East, and Africa. The division also markets liquid and dry calcium chloride products manufactured at its production facilities or purchased from third-party suppliers to a variety of markets outside the energy industry. The Fluids Division also provides North American onshore oil and gas operators with comprehensive water management services.

Our Production Testing Division provides frac flowback, production well testing, offshore rig cooling, and other associated services in many of the major oil and gas producing regions in the United States, Mexico, and Canada, as well as in certain basins in certain regions in South America, Africa, Europe, the Middle East, and Australia.

Our Compression Division is a provider of compression services and equipment for natural gas and oil production, gathering, transportation, processing, and storage. The Compression Division's equipment and parts sales business includes the fabrication and sale of standard compressor packages, custom designed compressor packages, and oilfield fluid pump systems designed and fabricated at the division's facilities, as well as the sale of compressor package parts and components manufactured by third-party suppliers. The Compression Division's aftermarket services business provides compressor package reconfiguration and maintenance services. The Compression Division provides its services and equipment to a broad base of natural gas and oil exploration and production, midstream, transmission, and storage companies operating throughout many of the onshore producing regions of the United States as well as in a number of foreign countries, including Mexico, Canada, and Argentina.

Our Offshore Division consists of two operating segments: Offshore Services and Maritech. The Offshore Services segment provides: (1) downhole and subsea services such as well plugging and abandonment and workover services; (2) decommissioning and certain construction services utilizing heavy lift barges and various cutting technologies with regard to offshore oil and gas production platforms and pipelines; and (3) conventional and saturation diving services.

Table of Contents

The Maritech segment is a limited oil and gas production operation. During 2011 and the first quarter of 2012, Maritech sold substantially all of its oil- and gas-producing property interests. Maritech's operations consist primarily of the ongoing abandonment and decommissioning associated with its remaining offshore wells and production platforms. Maritech intends to acquire a portion of these services from the Offshore Division's Offshore Services segment.

We continue to pursue a long-term growth strategy that includes expanding our existing core businesses, with the exception of the Maritech segment, through internal growth and acquisitions, domestically and internationally.

Recent developments

As of the date of filing our Form 10-Q for the quarter ended September 30, 2016, we had anticipated receiving by December 31, 2016 revenues from a significant deep water completion fluid project and payment of an interim arbitration award of \$7.0 million on a long-standing claim, plus legal fees. However, the deep water project has been deferred by the customer into the first quarter of 2017, and the arbitration award is now anticipated to be finalized and paid in the first half of 2017. As a result of these timing changes for receipt of payments, based on our current financial forecasts, without the completion of this or an alternate equity financing we have determined that we will not be in compliance with the leverage ratio covenants under our revolving credit agreement (the "Credit Agreement") and our 11.0% Series 2015 Senior Notes and related note purchase agreement (the "Note Purchase Agreement") as of December 31, 2016.

If we are unable to consummate this offering or an alternate equity offering financing, or are otherwise unable to obtain waivers of our anticipated leverage ratio covenant breaches, an event of default will occur under our Credit Agreement and Note Purchase Agreement. Any such events of default under our Credit Agreement and Note Purchase Agreement would allow the lenders to terminate their commitments and to accelerate all indebtedness outstanding thereunder beginning in the first quarter of 2017. However, if we consummate this offering, we plan to use the proceeds therefrom to repay outstanding indebtedness, and we believe that our financial covenant issues as of December 31, 2016 as described above will be resolved. The proceeds from this offering are also anticipated to provide increased financial flexibility so that we can respond to additional future weakness in market conditions.

Our executive offices

Our corporate headquarters are located at 24955 Interstate 45 North in The Woodlands, Texas. Our phone number is (281) 367-1983 and our website is accessed at www.tetrathec.com. Information on our website is not incorporated into this prospectus or our other securities filings and is not a part of this prospectus.

Table of Contents**The offering**

Issuer	TETRA Technologies, Inc.
Common stock offered by us	15,000,000 shares.
Warrants offered by us	Warrants to purchase 7,500,000 shares of our common stock on or prior to the date that is 60 months after the date such warrants are issued at an initial exercise price of \$ per share. This prospectus supplement also relates to the offering of the shares issuable upon exercise of the Warrants.
Option to purchase additional securities	The underwriters may purchase up to an additional 2,250,000 shares of our common stock and additional Warrants to purchase up to 1,125,000 shares of our common stock within 30 days of the date of this prospectus supplement.
Common stock to be outstanding after the offering	108,364,270 shares (up to 115,864,270 shares assuming the exercise of the Warrants). If the underwriters' option to purchase additional shares and Warrants is exercised in full, the total number of shares of common stock outstanding immediately after this offering would be 118,114,270 shares (up to 119,239,270 shares assuming the exercise of the Warrants).
Use of proceeds	We intend to use the net proceeds of approximately \$ million from the offering, after deducting underwriting discounts and estimated offering expenses, to repay existing indebtedness and for general corporate purposes.
Conflicts of Interest	Affiliates of J.P. Morgan Securities LLC and Wells Fargo Securities, LLC are lenders under our revolving credit facility and an affiliate of J.P. Morgan Securities LLC is administrative agent under our revolving facility. Because such affiliates will receive 5% or more of the net proceeds of this offering due to the repayment of a portion of the revolving credit facility by us, J.P. Morgan Securities LLC and Wells Fargo Securities, LLC are deemed to have a conflict of interest under Rule 5121, or FINRA Rule 5121, of the Financial Industry Regulatory Authority, Inc., or FINRA. Accordingly, this offering is being made in compliance with the requirements of FINRA Rule 5121. The appointment of a qualified independent underwriter is not required in connection with this offering as a bona fide public market, as defined in FINRA Rule 5121, exists for our common stock. See Use of Proceeds and Underwriting (Conflicts of Interest).
Exchange listing	Our common stock is listed on the New York Stock Exchange under the symbol TTI.
Risk factors	An investment in our securities is subject to risks. Please refer to Risk Factors, and Cautionary Comment Regarding Forward-Looking Statements, together with all of the other information set forth in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein, before deciding to invest in shares of our common stock.

Transfer agent

Computershare Trust Company, N.A.

S-3

Table of Contents**Summary Financial Information**

Our summary historical consolidated financial information as of and for the periods ended December 31, 2015, 2014 and 2013 is derived from our audited historical consolidated financial statements prepared in accordance with generally accepted accounting principles, or GAAP. Our summary historical consolidated financial information as of and for the periods ended September 30, 2016 and 2015 is derived from our unaudited historical consolidated financial statements prepared in accordance with GAAP. This financial information should be read in conjunction with our historical consolidated financial statements and the notes to those statements included in our Annual Report on Form 10-K for the year ended December 31, 2015 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, which are incorporated herein by reference.

	Year ended December 31, Nine months ended September 30				
	2015	2014	2013	2016	2015 (unaudited)
(In thousands, except share and per share data)					
Statement of Operations Data					
Revenues	\$ 1,130,145	\$ 1,077,567	\$ 909,398	\$ 521,542	\$ 872,555
Cost of Revenues	940,909	982,523	774,006	471,906	686,074
Gross profit	189,236	95,044	135,392	49,636	186,481
General and administrative expenses	157,812	142,689	131,466	89,381	113,651
Goodwill impairment	177,006	64,295		106,205	
Interest expense, net	50,514	31,998	17,121	43,299	40,231
Other (income) expense, net	5,667	13,933	(13,067)	9,930	1,123
Income (loss) before taxes	(201,763)	(157,871)	(128)	(199,179)	31,476
Provision (benefit) for income taxes	7,704	9,704	(3,454)	1,804	8,997
Net income (loss)	(209,467)	(167,575)	3,325	(200,983)	22,479
Income (loss) attributable to noncontrolling interest	83,284	(2,103)	(3,172)	71,075	(2,247)
Net income (loss) attributable to TETRA stockholders	\$ (126,183)	\$ (169,678)	\$ 153	\$ (129,908)	\$ 20,232
Net income (loss) per share attributable to TETRA stockholders					
Basic	\$ (1.59)	\$ (2.16)	\$	\$ (1.53)	\$ 0.26
Diluted	\$ (1.59)	\$ (2.16)	\$	\$ (1.53)	\$ 0.25
Weighted average number of common shares outstanding used in computing per share amounts:					
Basic	79,169	78,600	77,954	85,093	79,098
Diluted	79,169	78,600	78,840	85,093	79,455
Balance sheet data (end of period):					
Cash and cash equivalents	\$ 23,057	\$ 48,384	\$ 38,754	\$ 22,210	\$ 25,478
Working capital	170,158	121,999	200,913	182,537	122,990
Total assets	1,656,376	2,082,388	1,206,533	1,372,050	1,941,313
Long-term debt, net of current portion	873,402	844,961	387,727	738,032	829,049
Total current liabilities	185,246	378,460	173,026	114,902	288,035
Total TETRA stockholders equity	241,217	369,713	555,541	175,849	381,712
Cash flow data from continuing operations:					
Net cash provided by operating activities	\$ 195,951	\$ 108,645	\$ 49,656	\$ 25,664	\$ 118,227
Net cash used in investing activities	(114,987)	(967,739)	(100,025)	(9,107)	(94,947)
Net cash provided by (used in) financing activities	(103,437)	871,644	15,734	(16,214)	(44,570)

During the three months ended March 31, 2016, we adopted Accounting Standards Update No. 2015-03 whereby certain deferred finance costs were reclassified on our consolidated balance sheet.

Table of Contents

Risk factors

An investment in our securities involves various risks. You should carefully consider the matters discussed under Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2015, as amended, our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016, as well as other information we have provided in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference, before reaching a decision regarding an investment in our securities. The risks described below and cross-referenced in the documents above are not the only risks we face. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations.

Risks related to our common stock

Our common stock has experienced, and may continue to experience, price volatility.

The market price of our common stock may decline from its current levels in response to various factors and events beyond our control, including the following:

operating results that vary from the expectations of securities analysts and investors;

changes in expectations regarding our future financial performance, including financial estimates by securities analysts and investors;

general conditions in our industry, including levels of government funding for infrastructure projects;

announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships, joint ventures, financings or capital commitments;

changes in laws and regulations;

general economic and competitive conditions;

the limited trading volume of our common stock;

our issuance of a significant number of shares of our common stock, including upon exercise of employee stock options or warrants; and

the other risk factors described herein or incorporated by reference from our Annual Report on Form 10-K for the year ended December 31, 2015, as amended, and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016. ***We currently do not intend to pay dividends on our common stock and, consequently, you will achieve a positive return on your investment in our common stock only if the market price of our common stock appreciates above the price that you pay for it.***

We have never paid any cash dividends on our common stock. For the foreseeable future, we intend to retain any earnings in our business, and we do not anticipate paying any cash dividends. Whether or not we declare any dividends will be at the discretion of the Board of Directors considering then-existing conditions, including our financial condition and results of operations, capital requirements, bonding prospects, contractual restrictions (including those under our debt agreements), business prospects and other factors that our Board of Directors considers

Edgar Filing: TETRA TECHNOLOGIES INC - Form 424B3

relevant. Consequently, your only opportunity to achieve a return on your investment in our company will be if the market price of our common stock appreciates and you are able to sell your shares at a profit.

S-5

Table of Contents

Future sales or the possibility of future sales of our common stock in the public market could lower our stock price.

Our directors and executive officers will beneficially own approximately 2.64 million shares of our common stock after completion of this offering. These stockholders will be free to sell those shares, subject to the limitations of Rule 144 or Rule 144(k) under the Securities Act, and, subject to certain exceptions, the 60-day lock-up agreements that these stockholders have entered into with the underwriters. In addition, approximately 121,990 shares held by a director are not, and 295,502 shares that were issued pursuant to our long-term incentive plan in satisfaction of a portion of the approximately \$2.1 million of bonuses earned for 2015 performance under our cash incentive compensation plan, based on the share price of our common stock at the time of issuance, would not be, subject to the restrictions set forth in such lock-up agreements. Registration of these restricted shares of common stock would permit their sale into the public market immediately. We cannot predict when these stockholders may sell their shares or in what volumes. However, the market price of our common stock could decline significantly if these stockholders sell a large number of shares into the public market after this offering or if the market believes that these sales may occur.

We may also issue our common stock from time to time as consideration for future acquisitions and investments. In the event that any such acquisition or investment is significant, the number of shares of our common stock that we may issue could in turn be significant. In addition, we may also grant registration rights covering those shares in connection with any such acquisition and investment.

We cannot predict the size of future issuances of our common stock or the effect, if any, that future issuances and sales of our common stock will have on the market price of our common stock. Sales of substantial amounts of our common stock (including shares of our common stock issued in connection with an acquisition or compensation or incentive plan), or the perception that sales could occur, may adversely affect prevailing market prices for our common stock.

Delaware law and our charter documents may impede or discourage a takeover or change of control.

Certain provisions of our certificate of incorporation, our bylaws and the provisions of Delaware law, individually or collectively, may impede a merger, takeover or other business combination involving us or discourage a potential acquirer from making a tender offer for our common stock, which could affect the market price of our common stock.

Risks related to this offering

There is no public trading market for the Warrants to purchase shares of common stock in this offering.

There is no established public trading market for the Warrants being sold in this offering, and we do not expect such a market to develop. This may negatively affect the market value of the Warrants and your ability to transfer or sell your shares. In addition, we do not intend to apply to list the Warrants on any securities exchange or other nationally recognized trading system. Without an active market, the liquidity of the Warrants will be limited.

The market price of our common stock, which has been volatile and may continue to be volatile, may adversely affect the value of the Warrants sold in this offering, and you may not be able to recover the value of your investment.

The market price of our common stock, which has been volatile and may continue to be volatile, will affect the value of the Warrants sold in this offering. The market price of our common stock will likely fluctuate in response to a number of factors, including our financial condition and operating results, as well as economic, financial and other factors, many of which are beyond our control. For more information regarding such

Table of Contents

factors, see Risks Related to Our Common Stock Our common stock has experienced, and may continue to experience, price volatility. In order for you to recover the value of your investment in the Warrants, the market price of our common stock must increase from the price in effect on the date of this prospectus supplement. However, there can be no assurance that the market price of our common stock will exceed the price required for you to achieve a positive return on your investment upon a warrant exercise date.

We may not be able to fully redeem the holders of the Warrants if we experience a Fundamental Transaction.

The holders of our Warrants may require us to redeem the Warrants if we experience a Fundamental Transaction (as defined in the Warrants), which includes but is not limited to a change of control, business combination, merger or sale of substantially all of the assets. There can be no assurance that in the event of a change of control we will be able to sufficiently compensate the holders of the Warrants for the impact the change of control has on the price of shares of our common stock. In addition, the Fundamental Transaction terms may delay a potential change of control even if such change may be beneficial to some or all our shareholders. These restrictions may also adversely affect the market price of shares of our common stock.

The holders of the Warrants will have no rights as shareholders until they acquire shares of our common stock.

Until you become a holder of record of shares of our common stock issued upon settlement of your Warrants, you will have no rights with respect to such shares, including rights to vote or rights to respond to tender offers. Upon exercise of your Warrants, you will be entitled to exercise the rights of a shareholder only as to matters for which the record date occurs on or after the date you become the holder of record of such shares.

The Warrants included in this offering may not have any value.

The Warrants have an exercise price of \$ per share. In the event the price of our common stock does not exceed the exercise price of the Warrants on their exercise date, the Warrants may not have any value. If the Warrants are not exercised on or before the expiration date, they will expire unexercised, and you will not receive any shares of our common stock.

Each purchaser in this offering will experience immediate and substantial dilution in the net tangible book value per share of common stock it purchases in this offering.

Since the public offering price per share of common stock being offered is substantially higher than the net tangible book value per share outstanding prior to this offering, the purchasers in this offering will suffer substantial dilution in the net tangible book value of the shares they purchase in this offering. Based on the public offering price of \$ per share, the purchasers will suffer immediate and substantial dilution of \$ per share, representing the difference in the as adjusted net tangible book value per share as of September 30, 2016 after giving effect to this offering. See the section entitled Dilution below for a more detailed discussion of the dilution the purchasers will incur if they purchase our securities in this offering.

The purchasers in this offering may experience future dilution.

In order to raise additional capital, we may in the future offer additional shares of common stock or other securities convertible into, or exchangeable for, our common stock at prices that may not be the same as the price per share in this offering. We have an effective shelf registration statement from which additional shares and other securities can be offered. We cannot assure you that we will be able to sell common stock or other securities in any other offering at a price per share that is equal to or greater than the price per share paid by investors in this offering. If the price per share at which we sell additional common stock or related securities in future transactions is less than the price per share in this offering, investors who purchase our common stock in this offering will suffer a dilution of their investment. You will incur dilution upon vesting of any outstanding restricted share awards or restricted share units or upon exercise of any outstanding stock options.

Table of Contents

Cautionary comment regarding forward-looking statements

Some information contained in this prospectus, any prospectus supplement and in the documents we incorporate by reference herein and therein may contain certain statements (other than statements of historical fact) that constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or Exchange Act. Forward-looking statements generally can be identified by the use of words such as anticipates, assumes, believes, budgets, could, estimates, expects, forecasts, goal, intends, may, might, plans, predicts, projects, schedules, seeks, should, similar expressions that convey the uncertainty of future events, activities, expectations or outcomes. However, these are not the exclusive means of identifying forward-looking statements.

Where any forward-looking statement includes a statement of the assumptions or bases underlying such forward-looking statement, we caution that, while we believe these assumptions or bases to be reasonable and to be made in good faith, assumed facts or bases almost always vary from actual results, and the difference between assumed facts or bases and actual results could be material, depending on the circumstances. It is important to note that actual results could differ materially from those projected by such forward-looking statements.

Although we believe that the expectations in our forward-looking statements are reasonable, we cannot give any assurance that those expectations will be correct. Our operations are subject to numerous uncertainties, risks and other influences, many of which are outside our control and any of which could materially affect our results of operations and ultimately prove the statements we make to be inaccurate.

Factors that could cause our results to differ materially from the results discussed in such forward-looking statements include, but are not limited to, the following:

economic and operating conditions that are outside of our control, including the supply, demand, and prices of crude oil and natural gas;

the levels of competition we encounter;

the activity levels of our customers;

the availability of adequate sources of capital to us;

our ability to comply with contractual obligations, including those under our financing arrangements;

our operational performance;

risks related to acquisitions and our growth strategy;

the availability of raw materials and labor at reasonable prices;

risks related to our foreign operations;

the effect and results of litigation, regulatory matters, settlements, audits, assessments, and contingencies;

information technology risks including the risk from cyberattack; and

other risks and uncertainties under Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2015 and in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016.

S-8

Table of Contents

The risks and uncertainties referred to above are generally beyond our ability to control and we cannot predict all the risks and uncertainties that could cause our actual results to differ from those indicated by the forward-looking statements. If any of these risks or uncertainties materialize, or if any of the underlying assumptions prove incorrect, actual results may vary from those indicated by the forward-looking statements, and such variances may be material.

All subsequent written and oral forward-looking statements made by or attributable to us or to persons acting on our behalf are expressly qualified in their entirety by reference to these risks and uncertainties. You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to update or revise any forward-looking statements we may make, except as may be required by law.

Table of Contents

Use of proceeds

We estimate that our net proceeds from the sale of _____ shares of our common stock in this offering, excluding the proceeds, if any, from the exercise of the Warrants, will be approximately \$ _____ million (\$ _____ million if the underwriters' option to purchase additional securities is exercised in full), after deducting estimated underwriting discounts and estimated offering expenses.

We intend to use the net proceeds from this offering to repay existing indebtedness and for general corporate purposes.

At December 8, 2016, we had \$138.0 million of borrowings outstanding under our \$225.0 million Credit Agreement, with JPMorgan Chase Bank, N.A., as administrative agent, and the lenders from time to time party thereto. In addition, we had \$4.9 million in letters of credit and guarantees against the credit facility. The average interest rate on the loans outstanding under our Credit Agreement during the nine months ended September 30, 2016 was approximately 3.31%. Outstanding indebtedness under our Credit Agreement is payable on September 30, 2019.

At December 8, 2016, we had \$125 million of 11% Senior Secured Notes (the "11% Senior Secured Notes") outstanding, which were issued and sold to GSO Tetra Holdings LLP ("GSO"). The 11% Senior Secured Notes are due November 5, 2022.

Affiliates of J.P. Morgan Securities LLC and Wells Fargo Securities, LLC are lenders under our revolving credit facility and an affiliate of J.P. Morgan Securities LLC is administrative agent under our revolving credit facility. Because such affiliates will receive 5% or more of the net proceeds of this offering due to the repayment of a portion of the revolving credit facility by us, J.P. Morgan Securities LLC and Wells Fargo Securities, LLC are deemed to have a conflict of interest under Rule 5121 ("Rule 5121") of the Financial Industry Regulatory Authority, Inc. ("FINRA"). Accordingly, this offering is being made in compliance with the requirements of Rule 5121. The appointment of a qualified independent underwriter is not required in connection with this offering as a bona fide public market, as defined in Rule 5121, exists for our common stock. See "Use of Proceeds" and "Underwriting (Conflicts of Interest)".

Table of Contents**DILUTION**

Purchasers of our common stock in this offering will suffer immediate and substantial dilution in net tangible book value per share. Net tangible book value per share represents our total tangible assets (which excludes goodwill and other intangible assets), less our total liabilities, divided by the aggregate number of shares of common stock outstanding. Our net tangible book value as of September 30, 2016 was approximately \$137.6 million, or approximately \$1.53 per outstanding share.

After giving effect to the sale of the maximum number of shares offered hereby as set forth on the cover page of this prospectus supplement (excluding shares issued and any proceeds received upon exercise of the Warrants and excluding shares issued and any proceeds received upon exercise of the underwriters' option to purchase additional securities), and after deducting the estimated underwriting discounts and the estimated offering expenses payable by us, our as adjusted net tangible book value as of September 30, 2016 would have been approximately \$ million, or \$ per share. This amount represents an immediate increase in net tangible book value of \$ per share as a result of this offering. The following table illustrates this increase in our net tangible book value per share:

Public offering price per share	\$
Net tangible book value per share as of September 30, 2016	1.53
Increase in net tangible book value per share attributable to new investors	
Adjusted net tangible book value per share as of September 30, 2016 after giving effect to this offering	
Dilution per share to new investors	

Investors that acquire additional shares through the exercise of the Warrants offered hereby may experience additional dilution depending on our net tangible book value at the time of exercise.

The amounts above are based on 92,704,476 shares outstanding as of September 30, 2016. The information above excludes the aggregate of up to 7,500,000 shares issuable upon exercise of the Warrants, and it also excludes, as of that date, the following:

4,613,226 shares issuable upon the exercise of outstanding and vested stock options as of September 30, 2016, at a weighted average exercise price of \$10.21 per share;

951,228 shares subject to restricted share units outstanding as of September 30, 2016, at a weighted average grant date fair value of \$0.00; and

5,629,163 shares reserved as of September 30, 2016 for future issuance under equity incentive plans.

To the extent that any of these options, restricted share awards or restricted share units are exercised or become vested, as applicable, these issuances will cause dilution to the investors purchasing ordinary shares in this offering.

Table of Contents**Price range of common stock**

Our common stock is traded on the New York Stock Exchange under the symbol TTI. The quarterly market high and low sales prices for our common stock for 2014, 2015 and 2016 are summarized below:

	Price per share	
	High	Low
2016		
Fourth Quarter (through December 8, 2016)	\$ 6.34	\$ 4.40
Third Quarter	\$ 6.77	\$ 5.33
Second Quarter	\$ 7.75	\$ 4.65
First Quarter	\$ 7.81	\$ 4.62
2015		
Fourth Quarter	\$ 6.84	\$ 4.72
Third Quarter	\$ 7.52	\$ 5.85
Second Quarter	\$ 7.76	\$ 4.62
First Quarter	\$ 9.44	\$ 5.66
2014		
Fourth Quarter	\$ 12.84	\$ 9.92
Third Quarter	\$ 13.43	\$ 10.87
Second Quarter	\$ 12.11	\$ 9.25
First Quarter	\$ 10.96	\$ 4.90

On December 8, 2016, the closing sale price of our common stock as reported on the NYSE was \$5.01 per share. As of December 7, 2016, there were approximately 391 holders of record of our common stock. The number of record holders does not include holders of shares in street name or persons, partnerships, associations, corporations or other entities identified in security position listing maintained by depositories.

Table of Contents

Description of the warrants

The following is a brief summary of certain terms and conditions of the Warrants we are offering and is subject in all respects to the provisions contained in the Warrants. The Warrants will be issued pursuant to a warrant agreement between us and Computershare, as the Warrant Agent. Certain provisions of the Warrants are set forth herein but are only a summary and are qualified in their entirety by the relevant provisions of such warrant agreement, the form of which will be filed as an exhibit to the registration statement of which this prospectus forms a part.

Form, exercisability and duration

The Warrants issued in this offering entitle the registered holder to purchase one share of our common stock at a price equal to \$ _____, subject to adjustment as discussed below, immediately following the issuance of such Warrants and terminating at 5:00 p.m., New York City time, on December 14, 2021.

We will initially issue the Warrants in the form of global securities held in book-entry form. The Warrants initially will be represented by one or more permanent global certificates in fully registered form and will be deposited with a custodian for, and registered in the name of, a nominee of The Depository Trust Company, New York, New York (DTC), as depository. Owners of beneficial interests in the Warrants represented by the global securities will hold their interests pursuant to the procedures and practices of DTC and must exercise any rights in respect of their interests in accordance with the procedures and practices of DTC. As a result, beneficial interests in any such securities will be shown on, and transfers will be effected only through, records maintained by DTC and its direct and indirect participants and any such interest may not be exchanged for certificated securities, except in limited circumstances. Beneficial owners will not be holders and will not be entitled to any rights provided to the holders of the Warrants under the global securities or the global warrant. We and any of our agents may treat DTC as the sole holder and registered owner of the global securities.

The exercise price and number of shares of common stock issuable upon exercise of the Warrants may be adjusted in certain circumstances, including in the event of a stock dividend, a forward or reverse split of our shares of common stock, consolidation, combination or reclassification of shares of our common stock. However, the warrants will not be adjusted for issuances of common stock at prices below the exercise price.

A holder of a Warrant certificate may exercise such Warrant upon surrender of the applicable Warrant certificate on or prior to the expiration date at the offices of the Warrant Agent, with the exercise form on the reverse side of the Warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price, by certified or official bank check payable to us (or pursuant to the cashless exercise procedure, if applicable), for the number of Warrants being exercised.

The exercise price will be payable in cash if an effective registration statement is available for the issuance of the Warrant shares (as determined by us in our sole discretion) or on a net basis otherwise.

Fundamental transactions

We shall cause any successor entity in certain fundamental transactions in which we are not the survivor (such a successor entity, the successor entity) to assume in writing all of the obligations of our company under the Warrant, and to deliver to the holder in exchange for the Warrant a security of the successor entity evidenced by a written instrument substantially similar in form and substance to the Warrant which is exercisable for a corresponding number of shares of capital stock of such successor entity (or its parent entity) equivalent to the shares of common stock acquirable and receivable upon exercise of the Warrant prior to such fundamental transaction, and with an exercise price which applies the exercise price of the Warrant to such shares of capital stock (but taking into account the relative value of the shares of common stock pursuant to

Table of Contents

such fundamental transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of the Warrant immediately prior to the consummation of such fundamental transaction).

Change of control

At the request of a holder following the occurrence of a Change of Control, as described in the Warrant, which generally includes a consolidation or merger, sale, assignment, transfer, conveyance or other disposal of all or substantially all of our properties or assets, the acquisition of more than 50% of our outstanding common stock or other similar transactions, we or the successor entity will exchange the Warrant for consideration equal to the Holder Black Scholes Value (as defined in the Warrant) in the form of, at our election, Rights (as defined in the Warrant) or cash. Similarly, prior to the consummation of a Change of Control, we shall have the right to redeem all, but not less than all, Warrants for a cash amount equal to the Company Black Scholes Value (as defined in the Warrant).

Dividends and distributions

Holders of Warrants will be entitled to participate in any distribution or dividend of assets by the Company to holders of Common Stock, to the same extent such holders of Warrants would have participated therein if it held the shares of Common Stock issuable upon exercise of its Warrants.

No fractional shares

No fractional shares of common stock will be issued upon exercise of the Warrants. If, upon exercise of a Warrant, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round up to the nearest whole number of shares of common stock to be issued to the Warrant holder. If multiple Warrants are exercised by the holder at the same time, we will aggregate the number of whole shares issuable upon exercise of all the Warrants.

No rights as a shareholder

Except by virtue of such holder's ownership of common stock and except for the right to receive dividends and distributions as described above, the holder of a Warrant does not have the rights or privileges of a holder of shares of common stock, including any voting rights, until the holder exercises the Warrant.

Exchange listing

We do not plan to apply to list the Warrants on the NYSE or any other national securities exchange or automated quotation system.

Table of Contents

Dividend policy

We have never paid any cash dividends on our common stock. For the foreseeable future, we intend to retain any earnings in our business, and we do not anticipate paying any cash dividends. Whether or not we declare any dividends will be at the discretion of our Board of Directors considering then-existing conditions, including the Company's financial condition and results of operations, capital requirements, bonding prospects, contractual restrictions (including those under our debt agreements), business prospects and other factors that our Board of Directors considers relevant.

S-15

Table of Contents

Capitalization

The following table sets forth our cash, cash equivalents and capitalization as of September 30, 2016:

on an actual basis; and

on an as adjusted basis reflecting the application of the net proceeds from this offering, assuming no exercise of the Warrants and no exercise of the underwriters' option to purchase additional securities, and after deducting approximately \$ million for underwriting discounts and estimated offering expenses of approximately \$ million, as set forth under Use of Proceeds.

These amounts exclude the debt liabilities and equity non-controlling interest associated with our CSI Compressco LP subsidiary (CCLP). We do not manage our capital structure on a consolidated basis, as there are no cross-default provisions, cross-collateralization provisions, or cross-guarantees between CCLP's debt and our debt. Long-term debt balances exclude associated debt discounts and deferred financing costs that are netted against long-term debt in our consolidated balance sheets.

The amounts depicted on an as adjusted basis do not reflect net proceeds from future capital that may be received upon the exercise of the Warrants, as warrant exercises are not guaranteed events. If possible future capital is raised from Warrant exercises and associated further share issuances were to be reflected, our capitalization would have been higher on an as adjusted basis at September 30, 2016 by the amounts of such net proceeds.

S-16

Table of Contents

You should read the following table in conjunction with "Use of Proceeds" in this prospectus supplement and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and the related notes included in our Quarterly Report on Form 10-Q for the nine months ended September 30, 2016, which is incorporated by reference into this prospectus supplement.

	At September 30, 2016	
	Actual	As adjusted
	(Amounts in thousands, except share data)	
Cash and cash equivalents(2)	\$ 8,857	\$
Debt liabilities:		
Current maturities of long-term debt		
Long-term debt:		
Bank revolving line of credit facility(1)(2)	127,750	
11.00% Senior Notes, Series 2015(2)	125,000	
Less current portion		
Total long-term debt	252,750	
Total debt	252,750	
TETRA stockholders' equity:		
Common stock, \$0.01 par value, 150,000,000 shares authorized; 92,704,476 shares issued and outstanding, actual; 107,704,476 shares issued and outstanding, as adjusted	\$ 927	\$
Additional paid-in capital	325,653	
Treasury stock	(18,207)	(18,207)
Accumulated other comprehensive loss	(46,792)	(46,792)
Retained earnings (deficit)	(85,732)	(85,732)
Total TETRA stockholders' equity	175,849	
Total capitalization	\$ 437,456	\$

(1) Our credit facility in place on December 8, 2016 had \$138.0 million of borrowings outstanding, along with \$4.9 million of letters of credit and guarantees against it. The average interest rate on revolving debt outstanding during the nine months ended September 30, 2016 was approximately 3.31%.

(2) We anticipate using approximately \$ million of net proceeds from this offering to repay indebtedness.

Table of Contents

Material U.S. federal income tax considerations

The following is a summary of the material U.S. federal income tax consequences related to the purchase, ownership and disposition of our common stock and the Warrants, which we refer to collectively as the Securities, issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. This summary is based on the provisions of the Internal Revenue Code of 1986 as amended (the Code), U.S. Treasury regulations and administrative rulings and judicial decisions, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. We have not sought any ruling from the Internal Revenue Service (IRS) with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This discussion is limited to holders that hold the Securities as a capital asset within the meaning of Section 1221 of the Code (property held for investment). This summary does not address all aspects of U.S. federal income taxation that may be relevant to holders in light of their personal circumstances. In addition, this summary does not address the net investment income tax, U.S. federal estate or gift tax laws, any state, local or foreign tax laws or any tax treaties. This summary also does not address tax considerations applicable to investors that may be subject to special treatment under the U.S. federal income tax laws, such as (without limitation):

banks, insurance companies or other financial institutions;

tax-exempt or governmental organizations;

dealers in securities or foreign currencies;

traders in securities that use the mark-to-market method of accounting for U.S. federal income tax purposes;

persons subject to the alternative minimum tax;

partnerships or other pass-through entities for U.S. federal income tax purposes or holders of interests therein;

persons deemed to sell our Securities under the constructive sale provisions of the Code;

persons that acquired our Securities through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan;

certain former citizens or long-term residents of the U.S.;

real estate investment trusts or regulated investment companies; and

persons that hold our Securities as part of a straddle, appreciated financial position, synthetic security, hedge, conversion transaction or other integrated investment or risk reduction transaction.

Edgar Filing: TETRA TECHNOLOGIES INC - Form 424B3

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds the Securities, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding the Securities and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

PROSPECTIVE INVESTORS ARE ENCOURAGED TO CONSULT THEIR TAX ADVISOR WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATION, AS WELL AS ANY

S-18

Table of Contents

TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR SECURITIES ARISING UNDER THE U.S. FEDERAL ESTATE AND GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL, NON-U.S. OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

Allocation of purchase price to common stock and warrants

For U.S. federal income tax purposes, a holder's acquisition of the common stock and Warrants will be treated as the acquisition of an investment unit consisting of one share of common stock and a warrant to acquire a specific number of shares of our common stock. The purchase price for each investment unit will be allocated between the common stock and the Warrant in proportion to their relative fair market values at the time the unit is purchased by the holder. This allocation of the purchase price for each unit will establish the holder's initial tax basis for U.S. federal income tax purposes in the common stock and the Warrant included in each unit. We do not intend to advise holders of the Securities with respect to this determination, and holders of the Securities are advised to consult their tax and financial advisors regarding the allocation of the purchase price for U.S. federal income tax purposes.

Tax considerations applicable to U.S. holders

Definition of a U.S. holder

For purposes of this discussion, a U.S. holder is any beneficial owner of the Securities that, for U.S. federal income tax purposes, is:

an individual who is a citizen or resident of the United States;

a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof, or the District of Columbia;

an estate, the income of which is subject to U.S. federal income tax regardless of its source; or

a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more United States persons (within the meaning of Section 7701(a)(30) of the Code), or (2) has made a valid election under applicable Treasury regulations to continue to be treated as a United States person.

Distributions

As described in the section entitled *Dividend Policy*, we do not anticipate paying cash dividends to holders of our common stock. However, if we do make distributions on our common stock, such distributions of cash or property on our common stock will constitute dividends to the extent paid out of our current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. Dividends received by a corporate U.S. holder may be eligible for a dividends received deduction, subject to applicable limitations. Dividends received by certain non-corporate U.S. holders, including individuals, are generally taxed at the lower applicable capital gains rate provided certain holding period and other requirements are satisfied. Distributions in excess of our current and accumulated earnings and profits will constitute a return of capital and first be applied against and reduce a U.S. holder's adjusted tax basis in its common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described below in the section relating to the sale or other taxable disposition of our common stock.

Sale or other taxable disposition of common stock

Upon the sale, exchange or other taxable disposition of the common stock, a U.S. holder generally will recognize capital gain or loss equal to the difference between (i) the amount of cash and the fair market value

Table of Contents

of any property received upon the sale, exchange or other taxable disposition and (ii) such U.S. holder's adjusted tax basis in the common stock. Such capital gain or loss will be long-term capital gain or loss if the U.S. holder's holding period in such common stock is more than one year at the time of the sale, exchange or other taxable disposition. Long-term capital gains recognized by certain non-corporate U.S. holders, including individuals, generally will be subject to reduced rates of U.S. federal income tax. The deductibility of capital losses is subject to certain limitations.

Sale or other disposition, exercise or expiration of warrants

Upon the sale or other disposition of a Warrant (other than by exercise), a U.S. holder will generally recognize capital gain or loss equal to the difference between the amount realized on the sale or other disposition and the U.S. holder's tax basis in the Warrant. This capital gain or loss will be long-term capital gain or loss if the U.S. holder's holding period in such Warrant is more than one year at the time of the sale or other disposition. The deductibility of capital losses is subject to certain limitations.

In general, a U.S. holder will not be required to recognize income, gain or loss upon exercise of a Warrant for its exercise price. A U.S. holder's tax basis in a share of common stock received upon exercise of Warrants will be equal to the sum of (1) the U.S. holder's tax basis in the Warrants exchanged therefor and (2) the exercise price of such Warrants. A U.S. holder's holding period in the shares of common stock received upon exercise will commence on the day after such U.S. holder exercises the Warrants. Although there is no direct legal authority as to the U.S. federal income tax treatment of an exercise of a Warrant on a cashless basis, we intend to take the position that such exercise will not be taxable, either because the exercise is not a gain realization event or because it qualifies as a tax-free recapitalization. In the former case, the holding period of the shares of common stock received upon exercise of Warrants should commence on the day after the Warrants are exercised. In the latter case, the holding period of the shares of common stock received upon exercise of Warrants would include the holding period of the exercised Warrants. However, our position is not binding on the IRS and the IRS may treat a cashless exercise of a Warrant as a taxable exchange. U.S. holders are urged to consult their tax advisors as to the consequences of an exercise of a Warrant on a cashless basis, including with respect to their holding period and tax basis in the common stock received.

If a Warrant expires without being exercised, a U.S. holder will recognize a capital loss in an amount equal to such holder's tax basis in the Warrant. Such loss will be long-term capital loss if, at the time of the expiration, the U.S. holder's holding period in such Warrant is more than one year. The deductibility of capital losses is subject to certain limitations.

Constructive dividends on warrants

As described in the section entitled "Dividend Policy," we do not anticipate paying cash dividends to holders of our common stock. However, if at any time during the period in which a U.S. holder holds Warrants, we were to pay a taxable dividend to our stockholders and, in accordance with the anti-dilution provisions of the Warrants, the exercise price of the Warrants were decreased, that decrease would be deemed to be the payment of a taxable dividend to a U.S. holder of the Warrants to the extent of our earnings and profits, notwithstanding the fact that such holder will not receive a cash payment. If the exercise price is adjusted in certain other circumstances (or in certain circumstances, there is a failure to make adjustments), such adjustments may also result in the deemed payment of a taxable dividend to a U.S. holder. U.S. holders are advised to consult their tax advisors regarding the proper treatment of any adjustments to the exercise price of the Warrants.

Table of Contents

Information reporting and backup withholding

A U.S. holder may be subject to information reporting and backup withholding when such holder receives payments on the common stock or Warrants (including constructive dividends) or receives proceeds from the sale or other taxable disposition of common stock or Warrants. Certain U.S. holders are exempt from backup withholding, including C corporations and certain tax-exempt organizations. A U.S. holder will be subject to backup withholding if such holder is not otherwise exempt and such holder:

fails to furnish the holder's taxpayer identification number, which for an individual is ordinarily his or her social security number;

furnishes an incorrect taxpayer identification number;

is notified by the IRS that the holder previously failed to properly report payments of interest or dividends; or

fails to certify under penalties of perjury that the holder has furnished a correct taxpayer identification number and that the IRS has not notified the holder that the holder is subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS. U.S. holders should consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption.

Tax considerations applicable to non-U.S. holders

For purposes of this discussion, a Non-U.S. holder is a beneficial owner of the Securities that is neither a U.S. holder (as defined above) nor an entity treated as a partnership for U.S. federal income tax purposes.

Distributions

As described in the section entitled *Dividend Policy*, we do not anticipate making any cash distributions on our common stock. However, if we do make distributions of cash or property on our common stock, those payments will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed our current and accumulated earnings and profits, the distributions will be treated as a nontaxable return of capital to the extent of the non-U.S. holder's tax basis in our common stock and thereafter as capital gain from the sale or exchange of such common stock. See *Gain on Disposition of Common Stock or Warrants*.

Subject to the discussion of effectively connected income below, any distribution made to a non-U.S. holder on our common stock generally will be subject to U.S. withholding tax at a rate of 30% of the gross amount of the dividend unless an applicable income tax treaty provides for a lower rate. To receive the benefit of a reduced treaty rate, a non-U.S. holder must provide the withholding agent with an IRS Form W-8BEN or IRS Form W-8BEN-E (or other appropriate or successor form) certifying qualification for the reduced rate.

Dividends paid to a non-U.S. holder that are effectively connected with a trade or business conducted by the non-U.S. holder in the U.S. (and, if required by an applicable income tax treaty, are treated as attributable to a permanent establishment maintained by the non-U.S. holder in the U.S.) generally will be taxed on a net income basis at the rates and in the manner generally applicable to U.S. persons (as defined under the Code). Such effectively connected dividends will not be subject to U.S. withholding tax if the non-U.S. holder satisfies certain certification requirements by providing the withholding agent a properly executed IRS Form W-8ECI (or other

Table of Contents

appropriate or successor form) certifying eligibility for exemption. If the non-U.S. holder is a foreign corporation, it may also be subject to a branch profits tax (at a 30% rate or such lower rate as specified by an applicable income tax treaty) on its effectively connected earnings and profits (as adjusted for certain items). Non-U.S. holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Exercise of warrants

A non-U.S. holder generally will not be subject to U.S. federal income tax on the exercise of Warrants into shares of common stock. However, if a cashless exercise of Warrants results in a taxable exchange, as described in Tax Considerations Applicable to U.S. Holders Gain on Disposition of Common Stock or Warrants, the rules described below under Gain on Disposition of Common Stock or Warrants would apply.

Gain on disposition of common stock or warrants

Subject to the discussion below under Additional Withholding Requirements, a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized upon the sale or other disposition of our common stock or Warrants unless:

the non-U.S. holder is an individual who is present in the U.S. for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs and certain other conditions are met;

the gain is effectively connected with a trade or business conducted by the non-U.S. holder in the U.S. (and, if required by an applicable tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the U.S.); or

our common stock or Warrants constitutes a U.S. real property interest by reason of our status as a U.S. real property holding corporation (USRPHC) for U.S. federal income tax purposes.

A non-U.S. holder described in the first bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate as specified by an applicable income tax treaty) on the amount of such gain, which generally may be offset by U.S. source capital losses.

A non-U.S. holder whose gain is described in the second bullet point above generally will be taxed on a net income basis at the rates and in the manner generally applicable to U.S. persons (as defined under the Code) unless an applicable income tax treaty provides otherwise. If the non-U.S. holder is a corporation, it may also be subject to a branch profits tax (at a 30% rate or such lower rate as specified by an applicable income tax treaty) on its effectively connected earnings and profits (as adjusted for certain items) which will include such gain.

Generally, a corporation is a USRPHC only if the fair market value of its U.S. real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business. We believe that we are currently not, and do not expect to become, a USRPHC for U.S. federal income tax purposes. Because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the value of our other business assets, there can be no assurance that we will not become a USRPHC in the future.

Even if we are or were to become a USRPHC, (i) gain arising from the sale or other taxable disposition by a non-U.S. holder of our common stock will not be subject to U.S. federal income tax if our common stock is regularly traded, as defined by applicable Treasury regulations, on an established securities market, and such non-U.S. holder owned, actually and constructively, 5% or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the non-U.S. holder's holding period

Table of Contents

and (ii) gain arising from the sale or other taxable disposition by a non-U.S. holder of a Warrant generally will not be subject to U.S. federal income tax if our common stock is regularly traded, as defined by applicable Treasury regulations, on an established securities market, and on the non-U.S. holder's acquisition date for such Warrants, the Warrants held by such non-U.S. holder had a fair market value equal to or less than the fair market value on that date of 5% of our common stock.

Non-U.S. holders should consult their tax advisors with respect to the application of the foregoing rules to their ownership and disposition of our common stock or Warrants.

Constructive dividends on warrants

As described in the section entitled "Dividend Policy," we do not anticipate paying cash dividends to holders of our common stock. However, if at any time during the period in which a non-U.S. holder holds Warrants we were to pay a taxable dividend to our stockholders and, in accordance with the anti-dilution provisions of the Warrants, the exercise price of the Warrants were decreased, that decrease would be deemed to be the payment of a taxable dividend to a non-U.S. holder to the extent of our earnings and profits, notwithstanding the fact that such holder will not receive a cash payment. If the exercise price is adjusted in certain other circumstances (or in certain circumstances, there is a failure to make adjustments), such adjustments may also result in the deemed payment of a taxable dividend to a non-U.S. holder. Any resulting withholding tax attributable to deemed dividends may be collected from other amounts payable or distributable to the non-U.S. holder. Non-U.S. holders should consult their tax advisors regarding the proper treatment of any adjustments to the Warrants.

Backup withholding and information reporting

Any dividends paid to a non-U.S. holder must be reported annually to the IRS and to the non-U.S. holder. Copies of these information returns may be made available to the tax authorities in the country in which the non-U.S. holder resides or is established. Payments of dividends to a non-U.S. holder generally will not be subject to backup withholding provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a U.S. person and the non-U.S. holder establishes an exemption by properly certifying its non-U.S. status on an IRS Form W-8BEN, IRS Form W-8BEN-E or other appropriate version of IRS Form W-8.

Payments of the proceeds from a sale or other disposition by a non-U.S. holder of our common stock or Warrants effected by or through a U.S. office of a broker generally will be subject to information reporting and backup withholding (at the applicable rate) unless the non-U.S. holder establishes an exemption by properly certifying its non-U.S. status on an IRS Form W-8BEN, IRS Form W-8BEN-E or other appropriate version of IRS Form W-8 and certain other conditions are met. Information reporting and backup withholding generally will not apply to any payment of the proceeds from a sale or other disposition of our common stock or Warrants effected outside the U.S. by a foreign office of a broker. However, unless such broker has documentary evidence in its records that the holder is a non-U.S. holder and certain other conditions are met, or the non-U.S. holder otherwise establishes an exemption, information reporting will apply to a payment of the proceeds of the disposition of our common stock or Warrants effected outside the U.S. by such a broker if it has certain relationships within the U.S. Backup withholding is not an additional tax. Rather, the U.S. income tax liability (if any) of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained, *provided* that the required information is timely furnished to the IRS.

Additional withholding requirements

Sections 1471 through 1474 of the Code, and the Treasury regulations and administrative guidance issued thereunder, impose a 30% withholding tax on any dividends on our common stock or Warrants and on the gross

Table of Contents

proceeds from a disposition of our common stock or Warrants (if such disposition occurs after December 31, 2018), in each case if paid to a foreign financial institution or a non-financial foreign entity (each as defined in the Code) (including, in some cases, when such foreign financial institution or entity is acting as an intermediary), unless: (i) in the case of a foreign financial institution, such institution enters into an agreement with the U.S. government to withhold on certain payments, and to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners); (ii) in the case of a non-financial foreign entity, such entity certifies that it does not have any substantial U.S. owners (as defined in the Code) or provides the withholding agent with a certification (generally on an IRS Form W-8BEN-E) identifying the direct and indirect substantial U.S. owners of the entity; or (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules and provides appropriate documentation (such as an IRS Form W-8BEN-E). Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the U.S. governing these rules may be subject to different rules. Under certain circumstances, a holder might be eligible for refunds or credits of such taxes. Non-U.S. holders are encouraged to consult their tax advisors regarding the possible implications of these withholding rules.

THE FOREGOING DISCUSSION IS FOR GENERAL INFORMATION ONLY AND SHOULD NOT BE VIEWED AS TAX ADVICE. INVESTORS CONSIDERING THE PURCHASE OF OUR COMMON STOCK AND WARRANTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AND THE APPLICABILITY AND EFFECT OF U.S. FEDERAL ESTATE AND GIFT TAX LAWS AND ANY STATE, LOCAL OR FOREIGN TAX LAWS AND TAX TREATIES.

Table of Contents**Underwriting (conflicts of interest)**

We are offering the securities described in this prospectus through a number of underwriters. J.P. Morgan Securities LLC and Wells Fargo Securities, LLC are acting as joint book-running managers of the offering, and J.P. Morgan Securities LLC is acting as representative of the underwriters. We have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of common stock and accompanying warrants listed next to its name in the following table:

Name	Number of shares	Number of warrants
J.P. Morgan Securities LLC		
Wells Fargo Securities, LLC		
Total	15,000,000	7,500,000

The underwriters are committed to purchase all the shares of common stock and accompanying warrants offered by us if they purchase any shares and accompanying warrants. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the shares of common stock and accompanying warrants directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of \$ per share and accompanying warrant. After the initial offering of the shares and accompanying warrants to the public, the offering price and other selling terms may be changed by the underwriters.

The underwriters have an option to buy up to 2,250,000 additional shares of common stock and additional warrants to purchase up to 1,125,000 shares of common stock from us to cover over-allotments, if any. The underwriters have 30 days from the date of this prospectus to exercise this option to purchase additional shares and accompanying warrants. If any shares and accompanying warrants are purchased with this option to purchase additional shares and accompanying warrants, the underwriters will purchase shares and accompanying warrants in approximately the same proportion as shown in the table above. If any additional shares and accompanying warrants are purchased, the underwriters will offer the additional shares and accompanying warrants on the same terms as those on which they are being offered.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to us per share of common stock and warrants. The underwriting fee is \$ per share and accompanying warrant. The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters option to purchase additional shares and accompanying warrants.

	Without option to purchase additional shares/warrants exercise	With full option to purchase additional shares/warrants exercise
Per Share	\$	\$
Total	\$	\$

Table of Contents

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately \$500,000.

We have agreed to reimburse the underwriters for their FINRA counsel fee in an amount up to \$20,000.

A prospectus in electronic format may be made available on the web sites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares and accompanying warrants to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representative to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We, our executive officers and directors have agreed not to sell or transfer any common stock or securities convertible into, exchangeable for, exercisable for, or repayable with common stock, for 60 days after the date of this prospectus supplement without first obtaining the written consent of the representative. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly

offer, pledge, sell or contract to sell any common stock,

sell any option or contract to purchase any common stock,

purchase any option or contract to sell any common stock,

grant any option, right or warrant for the sale of any common stock,

lend or otherwise dispose of or transfer any common stock,

request or demand that we file a registration statement related to the common stock, or

enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

This lock-up provision applies to common stock and to securities convertible into or exchangeable or exercisable for or repayable with common stock. It also applies to common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition. Approximately 121,900 shares held by a director are not, and 295,502 shares that were issued pursuant to our long-term incentive plan in satisfaction of a portion of the approximately \$2.1 million of bonuses earned under our cash incentive compensation plan for 2015 performance, based on the share price of our common stock at the time of issuance, would not be, subject to the restrictions set forth in this lock-up provision.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of the common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. Short sales

Table of Contents

may be covered shorts, which are short positions in an amount not greater than the underwriters' option to purchase additional shares referred to above, or may be naked shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their option to purchase additional shares, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the option to purchase additional shares. A naked short position is more likely to be created if the underwriters are