Parsley Energy, Inc.
Form 424B5
December 11, 2015
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Filed pursuant to Rule 424(b)(5)
Registration No. 333-204766

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(2)
Class A common stock, par value $0.01 per share	14,202,500(1)	$18.00	$255,645,000	$25,743.45

(1) Includes 1,852,500 shares of Class A common stock issuable upon exercise of the underwriter s option to purchase additional shares of Class A common stock.

(2) Calculated and paid in accordance with Rule 457(r) under the Securities Act of 1933, as amended, and relates to the Registration Statement on Form S-3 (File No. 333-204766) (the Registration Statement) filed by the registrant with the Securities and Exchange Commission on June 5, 2015.

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PROSPECTUS SUPPLEMENT

(To Prospectus dated June 5, 2015)

12,350,000 Shares

Parsley Energy, Inc.

Class A Common Stock

We are offering 11,227,273 shares of our Class A common stock and the selling stockholder identified in this prospectus supplement is offering 1,122,727 shares of our Class A common stock. We will not receive any proceeds from the sale of shares held by the selling stockholder.

Our Class A common stock is listed on the New York Stock Exchange (NYSE) under the symbol PE . On December 8, 2015, the last sale price of our Class A common stock as reported on the NYSE was $18.81 per share.

We are an emerging growth company as that term is used in the Jumpstart Our Business Startups Act of 2012 and have elected to take advantage of certain reduced public company reporting requirements.

Investing in our common stock involves risks. See Risk Factors beginning on page S-9 of this prospectus supplement.

	Price to Public	Underwriting Discounts and Commissions(1)	Proceeds to Us	Proceeds to the Selling Stockholder
Per Share	$ 18.00	$ 0.29	$ 17.71	$ 17.71
Total	$ 222,300,000	$ 3,581,500	$ 198,835,005	$ 19,883,495

(1) We have also agreed to reimburse the underwriters for certain of their expenses in connection with this offering. See Underwriting.

We and the selling stockholder have granted the underwriters an option to purchase up to an additional 1,684,091 shares and 168,409 shares of Class A common stock, respectively, from us at the public offering price, less underwriting discounts and commissions, within 30 days of the date of the underwriting agreement.

The shares are expected to be ready for delivery on or about December 14, 2015.

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

Goldman, Sachs & Co. **Credit Suisse**

Prospectus Supplement dated December 9, 2015

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Prospectus Supplement

Prospectus

You should rely only on the information contained in this prospectus supplement, the accompanying prospectus and the documents we have incorporated by reference. We have not authorized any dealer, salesperson or other person to provide you with additional or different information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus supplement and accompanying prospectus are not an offer to sell nor the solicitation of an offer to buy any securities other than the securities to which they relate and are not an

offer to sell nor the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make an offer or solicitation in that jurisdiction. You should not assume that the information contained in this prospectus supplement is accurate as of any date other than the date on the front cover of this prospectus supplement, or that the information in the accompanying prospectus or contained in any document incorporated by reference is accurate as of any date other than the date of such prospectus or document incorporated by reference, regardless of the time of delivery of this prospectus supplement or any sale of a security.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. Generally, when we refer to the prospectus, we are referring to this prospectus supplement and the accompanying prospectus combined. You should read the entire prospectus supplement, as well as the accompanying prospectus and the documents incorporated by reference that are described under Incorporation of Certain Documents by Reference in this prospectus supplement. To the extent that any statement we make in this prospectus supplement is inconsistent with statements made in the accompanying prospectus or any documents incorporated by reference herein, you should rely on the information contained in this prospectus supplement, which will be deemed to modify or supersede those made in the accompanying prospectus or documents incorporated by reference herein or therein.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus or to the information to which we have referred you. Neither we, the selling stockholder, nor the underwriters have authorized anyone to provide you with information different from that contained in this prospectus supplement and the accompanying prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We, the selling stockholder and the underwriters are offering to sell shares of Class A common stock and seeking offers to buy shares of Class A common stock only in jurisdictions where such offers and sales are permitted. The information in this prospectus supplement is accurate only as of the date of this prospectus supplement, regardless of the time of any sale of our Class A common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

This prospectus contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. See Risk Factors and Cautionary Statement Regarding Forward-Looking Statements.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). All statements, other than statements of historical fact included in this prospectus, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this prospectus, the words could, believe, anticipate, intend, estimate, expect, project and similar expressions are intended to identify forward-looking statements, althou not all forward-looking statements contain such identifying words. These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under, but not limited to, the heading Risk Factors in our most recent Annual Report on Form 10-K, any subsequently filed Quarterly Reports on Form 10-Q and any subsequently filed Current Reports on Form 8-K, all of which are incorporated by reference in this prospectus, and the risk factors included in this prospectus and in any documents incorporated by reference herein. These forward-looking statements are based on management s current belief, based on currently available information, as to the outcome and timing of future events.

Forward-looking statements may include statements about our:

- business strategy;
- reserves;
- exploration and development drilling prospects, inventories, projects and programs;
- ability to replace the reserves we produce through drilling and property acquisitions;
- financial strategy, liquidity and capital required for our development program;
- realized oil, natural gas and natural gas liquids (NGLs) prices;
- timing and amount of future production of oil, natural gas and NGLs;
- hedging strategy and results;
- future drilling plans;

competition and government regulations;

ability to obtain permits and governmental approvals;

pending legal or environmental matters;

marketing of oil, natural gas and NGLs;

leasehold or business acquisitions;

costs of developing our properties;

general economic conditions;

credit markets;

uncertainty regarding our future operating results; and

plans, objectives, expectations and intentions contained in this prospectus that are not historical.

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We caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond our control, incident to the exploration for and development, production, gathering and sale of oil, natural gas and NGLs. These risks include, but are not limited to, commodity price volatility, inflation, lack of availability of drilling and production equipment and services, environmental risks, drilling and other operating risks, regulatory changes, the uncertainty inherent in estimating reserves and in projecting future rates of production, cash flow and access to capital, the timing of development expenditures, and the other risks described under Risk Factors herein and in our most recent Annual Report on Form 10-K, any subsequently filed Quarterly Reports on Form 10-Q and any subsequently filed Current Reports on Form 8-K, all of which are incorporated by reference herein.

Additionally, we caution you that reserve engineering is a process of estimating underground accumulations of oil, natural gas and NGLs that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data and price and cost assumptions made by reserve engineers. In addition, the results of drilling, testing and production activities may justify revisions of estimates that were made previously. If significant, such revisions would change the schedule of any further production and development drilling. Accordingly, reserve estimates may differ significantly from the quantities of oil, natural gas and NGLs that are ultimately recovered.

Should one or more of the risks or uncertainties described in this prospectus occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

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

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

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SUMMARY

This summary highlights information contained elsewhere in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus. It does not contain all of the information that may be important to you. Before deciding whether to invest in our Class A common stock, for a more complete understanding of our business and this offering, you should read carefully this entire prospectus supplement, the accompanying prospectus, the information incorporated by reference herein and therein, and any other documents to which we refer. You should pay special attention to the Risk Factors section of this prospectus supplement, the accompanying prospectus and our Annual Report on Form 10-K for the year ended December 31, 2014 (the Form 10-K) and subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K to determine whether an investment in our Class A common stock is appropriate for you. As used in this prospectus supplement, references to the Company, Parsley, we, us and our refer to Parsley Energy, Inc. and its consolidated subsidiaries unless we state otherwise or the context otherwise requires. Unless we indicate otherwise, the information presented in this prospectus supplement assumes no exercise of the underwriters option to purchase additional shares.

Overview

We are an independent oil and natural gas company focused on the acquisition and development of unconventional oil and natural gas reserves in the Permian Basin. The Permian Basin is located in West Texas and Southeastern New Mexico and is comprised of three primary sub-areas: the Midland Basin, the Central Basin Platform and the Delaware Basin. These areas are characterized by high oil and liquids-rich natural gas content, multiple vertical and horizontal target horizons, extensive production histories, long-lived reserves and historically high drilling success rates. Our properties are located in the Midland and Delaware Basins and our activities have historically been focused on the vertical development of the Spraberry, Wolfberry and Wolftoka Trends of the Midland Basin. Our vertical wells in the area are drilled into stacked pay zones that include the Spraberry, Wolfcamp, Upper Pennsylvanian (Cline), Strawn, Atoka and Mississippian formations. We now focus on horizontal development drilling and expect to target various stacked pay intervals in the Spraberry, Wolfcamp, Upper Pennsylvanian (Cline) and Atoka shales. For additional information about our company, please read the documents listed under Incorporation of Certain Documents by Reference.

Recent Developments

On November 19, 2015, we entered into a purchase and sale agreement (the Purchase Agreement) with PCORE Exploration & Production, LLC (Seller), a portfolio company of Natural Gas Partners. The Purchase Agreement provides for the sale and transfer by Seller of Seller s interests in 6,040 gross (5,274 net) acres located in Upton, Reagan and Glasscock Counties, Texas (the Acquisition), with 238 associated net horizontal drilling locations, for an aggregate purchase price of $148.5 million in cash (subject to customary purchase price adjustments), which we intend to fund with a portion of the net proceeds of this offering. The properties to be acquired had average net production of approximately 1,000 Boe/d during the month of November and also include one horizontal well that is anticipated to be completed by Seller prior to close. Please read Use of Proceeds.

The Purchase Agreement contains customary representations and warranties, covenants, indemnification provisions and conditions to closing. Chris Carter, a member of our board of directors, is a managing partner of Natural Gas Partners, which, through NGP X US Holdings, L.P. (collectively,

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NGP), indirectly owns 5.4% of our Class A common stock and 4.2% of the total voting power of our common stock. After giving effect to the consummation of this offering, NGP will own 4.1% of our Class A Common Stock and 3.3% of our total voting power, assuming no exercise of the underwriters option to purchase additional shares.

The Acquisition has an effective date of September 1, 2015. We and Seller expect to close the Acquisition on or before January 8, 2016, subject to the satisfaction of customary closing conditions. This offering is not conditioned upon the consummation of the Acquisition.

Company Information

We are a Delaware corporation. Our principal executive offices are located at 303 Colorado Street, Suite 3000, Austin, Texas 78701 and our telephone number at that address is (737) 704-2300. Our website address is *www.parsleyenergy.com*. Our periodic reports and other information filed with or furnished to the Securities and Exchange Commission (the SEC) are available free of charge through our website as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Except for information specifically incorporated by reference into this prospectus supplement that may be accessed from our *website, the information on, or otherwise accessible through, our website or any other website does not constitute a part of this prospectus supplement.*

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The following diagram indicates our simplified ownership structure immediately following this offering (assuming that the option to purchase additional shares is not exercised):

(1) Includes shares of our Class A common stock held by NGP. After giving effect to the consumption of this offering, NGP will own 4.1% of our Class A Common Stock and 3.3% of our total voting power, assuming no exercise of the underwriters option to purchase additional shares.

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THE OFFERING

Issuer	Parsley Energy, Inc.
Shares of Class A common stock offered by us	11,227,273 shares (12,911,364 shares if the option to purchase additional shares is exercised in full).
Shares of Class A common stock offered by the selling stockholder	1,122,727 shares (1,291,136 shares if the option to purchase additional shares is exercised in full).
Option to purchase additional shares	We and the selling stockholder have granted the underwriters an option to purchase up to an additional 1,684,091 shares and 168,409 shares of Class A common stock, respectively, within 30 days of the date of the underwriting agreement.
Shares of Class A common stock to be outstanding immediately after this offering	134,939,316 shares (136,623,407 shares if the option to purchase additional shares is exercised in full). The foregoing number of shares of our Class A common stock is based on 123,712,043 shares outstanding as of November 30, 2015. Unless we indicate otherwise or the context otherwise requires, all of the information in this prospectus supplement (i) assumes no exercise of the option to purchase additional shares and (ii) includes 670,640 shares of restricted stock outstanding and unvested under the Parsley Energy, Inc. 2014 Long Term Incentive Plan.
Use of proceeds	We estimate that, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, we will receive approximately $198.5 million of net proceeds from this offering, or $228.4 million if the option to purchase additional shares is exercised in full. We anticipate that we will contribute all of the net proceeds from this offering to Parsley LLC in exchange for a number of units in Parsley LLC (PE Units) equal to the number of shares of our Class A common stock issued by us in this offering. We will use a portion of such net proceeds to fund the Acquisition purchase price, and the remaining net proceeds will be used to fund a portion of our capital

program and for general corporate purposes. This offering is not conditioned upon the consummation of the Acquisition. We will not receive any of the proceeds from the sale of shares by the selling stockholder. Please read Use of Proceeds.

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Risk factors	Investing in our Class A common stock involves risks. Before deciding to invest in our Class A common stock, you should carefully read and consider the information set forth in the Risk Factors and Cautionary Statement Regarding Forward-Looking Statements sections of this prospectus supplement, the Risk Factors section of our Form 10-K and all other information set forth in, or incorporated by reference into, this prospectus supplement.
Listing and trading symbol	PE.

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RISK FACTORS

Investing in our Class A common stock involves risks. Before deciding whether to purchase shares of our Class A common stock, you should carefully consider the risks and uncertainties described below as well as those described under Risk Factors in our Form 10-K for the year ended December 31, 2014, our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2015, June 30, 2015 and September 30, 2015 and any subsequently filed Current Reports on Form 8-K, together with all of the other information included in, or incorporated by reference into, this prospectus supplement. See Incorporation of Certain Documents by Reference. If any of these risks actually occur, our business, financial condition and results of operations could be materially and adversely affected and we may not be able to achieve our goals, the value of our securities could decline and you could lose some or all of your investment. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations.

We are a holding company. Our sole material asset is our equity interest in Parsley LLC and we are accordingly dependent upon distributions from Parsley LLC to pay taxes, make payments under the Tax Receivable Agreement and cover our corporate and other overhead expenses.

We are a holding company and have no material assets other than our equity interest in Parsley LLC. We have no independent means of generating revenue. To the extent Parsley LLC has available cash, we intend to cause Parsley LLC to make distributions to its unitholders, including us, in an amount sufficient to cover all applicable taxes at assumed tax rates and payments under the tax receivable agreement (the Tax Receivable Agreement) we have entered into with Parsley LLC and each holder of PE Units (a PE Unit Holder), and to reimburse us for our corporate and other overhead expenses. We are limited, however, in our ability to cause Parsley LLC and its subsidiaries to make these and other distributions to us due to the restrictions under our revolving credit facility and the indenture governing our senior notes. To the extent that we need funds and Parsley LLC or its subsidiaries are restricted from making such distributions under applicable law or regulation or under the terms of their financing arrangements, or are otherwise unable to provide such funds, it could materially adversely affect our liquidity and financial condition.

The price of our Class A common stock in this offering may not be indicative of the market price of our Class A common stock after this offering and may fluctuate significantly.

The market price of our Class A common stock could vary significantly as a result of a number of factors, some of which are beyond our control. In the event of a drop in the market price of our Class A common stock, you could lose a substantial part or all of your investment in our Class A common stock. The price of our Class A common stock in this offering will be negotiated between us, the selling stockholder and the underwriters and may not be indicative of the market price of our Class A common stock after this offering. Consequently, you may not be able to sell shares of our Class A common stock at prices equal to or greater than the price paid by you in this offering.

The following factors, among others, could affect our stock price:

- our operating and financial performance;
- the number of identified drilling locations and our reserves estimates;

quarterly variations in the rate of growth of our financial indicators, such as net income per share, net income and revenues and capital expenditures;

the public reaction to our press releases, our other public announcements and our filings with the SEC;

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strategic actions by our competitors;

changes in revenue or earnings estimates, or changes in recommendations or withdrawal of research coverage, by equity research analysts;

speculation in the press or investment community;

the failure of research analysts to cover our Class A common stock;

sales of our Class A common stock by us, the selling stockholder or other stockholders, or the perception that such sales may occur;

changes in accounting principles, policies, guidance, interpretations or standards;

additions or departures of key management personnel;

actions by our stockholders;

general market conditions, including fluctuations in commodity prices;

domestic and international economic, legal and regulatory factors unrelated to our performance; and

the realization of any risks described in this Risk Factors section or in the Risk Factors section in our Form 10-K.

The stock markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our Class A common stock. During the 52-week period immediately preceding the date of this prospectus supplement, the price of our Class A common stock as reported on the NYSE ranged from a high of $20.33 to a low of $11.15 per share. Securities class action litigation has often been instituted against companies following periods of volatility in the overall market and in the market price of a company s securities. Such litigation, if instituted against us, could result in very substantial costs, divert our management s attention and resources and harm our business, operating results and financial condition.

We may not consummate the Acquisition, and this offering is not conditioned on the consummation of the Acquisition.

We will use a portion of the net proceeds from this offering, along with cash on hand, to fund the Acquisition purchase price described under Summary Recent Developments. However, we may not consummate the Acquisition,

which is subject to the satisfaction of customary closing conditions. There can be no assurance that such conditions will be satisfied or that the Acquisition will be consummated.

This offering is not conditioned on the consummation of the Acquisition. Therefore, upon the closing of this offering, you will become a holder of our Class A common stock regardless of whether the Acquisition is consummated, delayed or terminated. If the Acquisition is delayed or terminated, the price of our Class A common stock may decline to the extent that the current market price of our Class A common stock reflects a market assumption that the Acquisition will be consummated on the terms described herein. In addition, if the Acquisition is not consummated, our management will have broad discretion in the application of the net proceeds of this offering and could apply the proceeds in ways that you or other stockholders may not approve, which could adversely affect the market price of our Class A common stock.

Our principal stockholders collectively hold a substantial portion of the voting power of our common stock.

Holders of our Class A common stock and Class B common stock vote together as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise required by

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applicable law or our certificate of incorporation. Immediately subsequent to this offering, and assuming no exercise of the option to purchase additional shares of our Class A common stock, Bryan Sheffield and other members of our management team will hold approximately 28.1% of our ownership interest. The existence of significant stockholders may have the effect of deterring hostile takeovers, delaying or preventing changes in control or changes in management, or limiting the ability of our other stockholders to approve transactions that they may deem to be in the best interests of our company.

So long as our management team continues to control a significant amount of our common stock, they will continue to be able to strongly influence all matters requiring stockholder approval, regardless of whether or not other stockholders believe that a potential transaction is in their own best interests. In any of these matters, the interests of our management team may differ or conflict with the interests of our other stockholders.

Our amended and restated certificate of incorporation and our amended and restated bylaws, as well as Delaware law, contain provisions that could discourage acquisition bids or merger proposals, which may adversely affect the market price of our Class A common stock.

Our amended and restated certificate of incorporation authorizes our board of directors to issue preferred stock without stockholder approval. If our board of directors elects to issue preferred stock, it could be more difficult for a third party to acquire us. In addition, some provisions of our amended and restated certificate of incorporation and our amended and restated bylaws could make it more difficult for a third party to acquire control of us, even if the change of control would be beneficial to our stockholders, including:

- limitations on the removal of directors;
- limitations on the ability of our stockholders to call special meetings;
- establishing advance notice provisions for stockholder proposals and nominations for elections to the board of directors to be acted upon at meetings of stockholders;
- providing that the board of directors is expressly authorized to adopt, or to alter or repeal our bylaws; and
- establishing advance notice and certain information requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings.

In addition, certain change of control events have the effect of accelerating the payment due under our Tax Receivable Agreement, which could be substantial and accordingly serve as a disincentive to a potential acquirer of our company. Please see In certain cases, payments under the Tax Receivable Agreement may be accelerated and/or significantly exceed the actual benefits, if any, we realize in respect of the tax attributes subject to the Tax Receivable Agreement.

Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents.

Our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders, (iii) any action asserting a claim against us or any director or officer or other employee of ours arising pursuant to any provision of the General Corporation Law of the State of Delaware, our amended and restated

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certificate of incorporation or our amended and restated bylaws, or (iv) any action asserting a claim against us or any director or officer or other employee of ours that is governed by the internal affairs doctrine, in each such case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of, and consented to, the provisions of our amended and restated certificate of incorporation described in the preceding sentence. This choice of forum provision may limit a stockholder s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and such persons. Alternatively, if a court were to find these provisions of our amended and restated certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition or results of operations.

We do not intend to pay dividends on our Class A common stock, and our revolving credit facility and the indenture governing our outstanding senior notes place certain restrictions on our ability to do so. Consequently, your only opportunity to achieve a return on your investment is if the price of our Class A common stock appreciates.

We do not plan to declare dividends on shares of our Class A common stock in the foreseeable future. Additionally, our revolving credit facility and the indenture governing our outstanding senior notes place certain restrictions on our ability to pay cash dividends. Consequently, your only opportunity to achieve a return on your investment in us will be if you sell your Class A common stock at a price greater than you paid for it. There is no guarantee that the price of our Class A common stock that will prevail in the market will ever exceed the price that you pay for our Class A common stock in this offering.

We are in the process of resolving SEC comments relating to our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 regarding certain accounting and financial disclosure matters, which could possibly result in changes to our existing accounting and financial disclosure.

We recently received a comment letter from the staff of the SEC s Division of Corporation Finance (the Staff) relating to our Annual Report on Form 10-K for the fiscal year ended December 31, 2014. The Form 10-K is incorporated by reference into this prospectus supplement and the accompanying prospectus. In the comment letter, the Staff questioned our calculation of earnings per share for the year ended December 31, 2014. In May 2014, we completed a corporate reorganization in connection with our initial public offering (IPO). In the comment letter, the Staff stated that it appears that earnings per share should be calculated based on net income attributable to common stockholders and the number of weighted average shares outstanding based on the period from the date of our IPO and corporate reorganization through December 31, 2014. We have responded to the comment letter stating that, given that the reorganization was considered a reorganization of entities under common control, we retrospectively re-cast our financial statements to include the historical results of the entities involved in the reorganization at historical carrying values and their operations as if they were consolidated and combined for all periods. Therefore, we concluded it was appropriate in calculating earnings per share for the fiscal year ended December 31, 2014 to include the entire net income attributable to our stockholders for 2014 as reflected in our re-cast financial statements. We also advised the Staff that for purposes of the number of shares outstanding, we calculated the weighted average shares outstanding for all of 2014 using the sum of the shares determined actually outstanding on a daily basis divided by the number of days in the year. However, until this comment is resolved, or until any additional comments raised by the Staff during

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this process are resolved, we cannot provide assurance that we will not be required to amend the Form 10-K with regards to our calculation of earnings per share for the year ended December 31, 2014 or make any changes to the accounting or financial disclosures contained in the Form 10-K or similar disclosures made in our future filings.

Future sales of our Class A common stock in the public market, or the perception that such sales may occur, could reduce our stock price, and any additional capital raised by us through the sale of equity or convertible securities may dilute your ownership in us.

We may sell additional shares of Class A common stock or convertible securities in subsequent offerings. We cannot predict the size of future issuances of our Class A common stock or securities convertible into Class A common stock or the effect, if any, that future issuances and sales of shares of our Class A common stock will have on the market price of our Class A common stock. Sales of substantial amounts of our Class A common stock (including shares issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices of our Class A common stock.

On May 27, 2014, we filed a registration statement with the SEC on Form S-8 providing for the registration of 12,727,273 shares of our Class A common stock issued or reserved for issuance under our equity incentive plan. Subject to the satisfaction of vesting conditions, the expiration or waiver of lock-up agreements and the requirements of Rule 144 under the Securities Act, shares registered under the registration statement on Form S-8 will be available for resale immediately in the public market without restriction.

On March 11, 2015, we filed a registration statement with the SEC on Form S-1 providing for the registration of 14,885,797 shares of our Class A common stock in connection with a private placement of such Class A common stock at a price of $15.50 per share to selected institutional investors. Subsequently, on June 5, 2015, we filed an automatically effective registration statement with the SEC on Form S-3 providing for the continued registration of such shares of Class A common stock. Shares registered under the registration statement on Form S-3 are available for resale immediately in the public market without restriction.

The underwriters may waive or release parties to the lock-up agreements entered into in connection with this offering, which could adversely affect the price of our Class A common stock.

We have entered into a lock-up agreement with respect to our Class A common stock, pursuant to which we are subject to certain issuance and sale restrictions for a period of 45 days following the date of the underwriting agreement. Please see Underwriting Lock-Up Agreements for a detailed description of these restrictions and certain exceptions to them.

In addition, the selling stockholder and all of our directors and executive officers have entered into lock-up agreements with respect to their shares of our Class A common stock, pursuant to which they are subject to certain resale restrictions for a period of 45 days following the date of the underwriting agreement. The underwriters, at any time and without notice, may release all or any portion of the Class A common stock subject to the foregoing lock-up agreements. If the restrictions under the lock-up agreements are waived, then the Class A common stock, subject to compliance with the Securities Act or exceptions therefrom, will be available for sale into the public markets, which could cause the market price of our Class A common stock to decline and impair our ability to raise capital.

We are required to make payments under the Tax Receivable Agreement for certain tax benefits we may claim, and the amounts of such payments could be significant.

The PE Unit Holders generally have the right to exchange (the Exchange Right) their PE Units (and a corresponding number of shares of Class B common stock), for shares of the Company s

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Class A common stock at an exchange ratio of one share of Class A common stock for each PE Unit (and a corresponding number of shares of Class B common stock) exchanged, (subject to conversion rate adjustments for stock splits, stock dividends and reclassifications) or cash at Parsley Energy, Inc. s or Parsley LLC s, as applicable, election (the Cash Option).

We have entered into a Tax Receivable Agreement with Parsley LLC and the PE Unit Holders and certain other holders of equity interests in us (each such person, a TRA Holder). This agreement generally provides for the payment by us to a TRA Holder of 85% of the net cash savings, if any, in U.S. federal, state or local income tax that we actually realize (or are deemed to realize in certain circumstances) in periods after our IPO as a result of (i) any tax basis increases resulting from the contribution in connection with our IPO by such TRA Holder of all or a portion of its PE Units to Parsley Energy, Inc. in exchange for shares of Class A common stock, (ii) the tax basis increases resulting from the exchange by such TRA Holder of PE Units for shares of Class A common stock pursuant to the Exchange Right (or resulting from an exchange of PE Units for cash pursuant to the Cash Option) and (iii) imputed interest deemed to be paid by us as a result of, and additional tax basis arising from, any payments we make under the Tax Receivable Agreement. In addition, payments we make under the Tax Receivable Agreement will be increased by any interest accrued from the due date (without extensions) of the corresponding tax return.

For purposes of the Tax Receivable Agreement, cash savings in tax generally are calculated by comparing our actual tax liability to the amount we would have been required to pay had we not been able to utilize any of the tax benefits subject to the Tax Receivable Agreement. The term of the Tax Receivable Agreement commenced upon the completion of our IPO and will continue until all such tax benefits have been utilized or expired, unless we exercise our right to terminate the Tax Receivable Agreement by making the termination payment specified in the agreement.

The actual increase in tax basis, as well as the amount and timing of any payments under the Tax Receivable Agreement, will vary depending upon a number of factors, including the timing of the exchanges of PE Units, the price of Class A common stock at the time of each exchange, the extent to which such exchanges are taxable, the amount and timing of the taxable income we generate in the future and the tax rate then applicable, and the portion of our payments under the Tax Receivable Agreement constituting imputed interest or depletable, depreciable or amortizable basis. We expect that the payments that we will be required to make under the Tax Receivable Agreement could be substantial.

The payments under the Tax Receivable Agreement are not conditioned upon a holder of rights under the Tax Receivable Agreement having a continued ownership interest in us. See Transactions with Related Persons Tax Receivable Agreement in our Definitive Proxy Statement on Schedule 14A for our 2015 Annual Meeting of Stockholders, which is incorporated herein by reference.

In certain cases, payments under the Tax Receivable Agreement may be accelerated and/or significantly exceed the actual benefits, if any, we realize in respect of the tax attributes subject to the Tax Receivable Agreement.

If we elect to terminate the Tax Receivable Agreement early or it is terminated early due to certain mergers or other changes of control we would be required to make an immediate payment equal to the present value of the anticipated future tax benefits subject to the Tax Receivable Agreement, which calculation of anticipated future tax benefits will be based upon certain assumptions and deemed events set forth in the Tax Receivable Agreement, including the assumption that we have sufficient taxable income to fully utilize such benefits and that any PE Units that the PE Unit Holders or their permitted transferees own on the termination date are deemed to be exchanged on the termination date. Any early termination payment may be made significantly in advance of the actual realization, if any, of such future benefits.

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In these situations, our obligations under the Tax Receivable Agreement could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control due to the additional transaction cost a potential acquirer may attribute to satisfying such obligations.

Payments under the Tax Receivable Agreement will be based on the tax reporting positions that we will determine. The holders of rights under the Tax Receivable Agreement will not reimburse us for any payments previously made under the Tax Receivable Agreement if such basis increases or other benefits are subsequently disallowed, except that excess payments made to any such holder will be netted against payments otherwise to be made, if any, to such holder after our determination of such excess. As a result, in such circumstances, we could make payments that are greater than our actual cash tax savings, if any, and may not be able to recoup those payments, which could adversely affect our liquidity.

We may issue preferred stock whose terms could adversely affect the voting power or value of our Class A common stock.

Our amended and restated certificate of incorporation authorizes us to issue, without the approval of our stockholders, one or more classes or series of preferred stock having such designations, preferences, limitations and relative rights, including preferences over our Class A common stock respecting dividends and distributions, as our board of directors may determine. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of our Class A common stock. For example, we might grant holders of preferred stock the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we might assign to holders of preferred stock could affect the residual value of the Class A common stock.

The requirements of being a public company, including compliance with the reporting requirements of the Exchange Act and the requirements of the Sarbanes-Oxley Act of 2002, may strain our resources, increase our costs and distract management.

We completed our IPO in May 2014. As a public company, we are required to comply with new laws, regulations and requirements, certain corporate governance provisions of the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley), related regulations of the SEC and the requirements of the NYSE. Complying with these statutes, regulations and requirements will occupy a significant amount of time of our board of directors and management and will significantly increase our costs and expenses. We are required to:

institute a more comprehensive compliance function;

comply with rules promulgated by the NYSE;

continue to prepare and distribute periodic public reports in compliance with our obligations under the federal securities laws;

establish new internal policies, such as those relating to insider trading; and

involve and retain to a greater degree outside counsel and accountants in the above activities. Furthermore, while we generally must comply with Section 404 of Sarbanes-Oxley, we are not required to have our independent registered public accounting firm attest to the effectiveness of our internal controls until our first annual report subsequent to our ceasing to be an emerging growth company within the meaning of the Jumpstart Our Business Startups Act of 2012 (the JOBS Act). We anticipate that we will cease to be an emerging growth company at the end of 2015, and therefore will be required to have our independent registered public accounting firm attest to the effectiveness of our

internal controls in our annual report for the fiscal year ending December 31, 2015. Our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed, operated or reviewed. Compliance with these requirements may strain our resources, increase our costs and distract management; and we may be unable to comply with these requirements in a timely or cost-effective manner.

These rules and regulations make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as executive officers.

If we fail to develop or maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, current and potential stockholders could lose confidence in our financial reporting, which would harm our business and the trading price of our Class A common stock.

Effective internal controls are necessary for us to provide reliable financial reports, prevent fraud and operate successfully as a public company. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results would be harmed. We cannot be certain that our efforts to develop and maintain our internal controls will be successful, that we will be able to maintain adequate controls over our financial processes and reporting in the future or that we will be able to comply with our obligations under Section 404 of Sarbanes-Oxley. Any failure to develop or maintain effective internal controls, or difficulties encountered in implementing or improving our internal controls, could harm our operating results or cause us to fail to meet our reporting obligations. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which would likely have a negative effect on the trading price of our Class A common stock.

For as long as we are an emerging growth company, we will not be required to comply with certain disclosure requirements that apply to other public companies.

In April 2012, President Obama signed into law the JOBS Act. For as long as we remain an emerging growth company as defined in the JOBS Act, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to, among other things, provide an auditor s attestation report on management s assessment of the effectiveness of our system of internal control over financial reporting pursuant to Section 404 of Sarbanes-Oxley and reduced disclosure obligations regarding executive compensation in our periodic reports. We will remain an emerging growth company for up to five years, although we will lose that status sooner if we have more than $1.0 billion of revenues in a fiscal year, the date on which we become a large accelerated filer , or issue more than $1.0 billion of non-convertible debt over a three-year period. To the extent that we rely on any of the exemptions available to emerging growth companies, you will receive less information about our executive compensation and internal control over financial reporting than issuers that are not emerging growth companies. If some investors find our Class A common stock to be less attractive as a result, there may be a less active trading market for our Class A common stock and our stock price may be more volatile.

The value of our proved reserves as of December 31, 2014 calculated using SEC pricing may be higher than the fair market value of our proved reserves calculated using updated SEC pricing.

Our estimated proved reserves as of December 31, 2014 and related present value of future net revenues (PV-10) and standardized measure of future net cash flows (Standardized Measure) were calculated under SEC rules using twelve-month trailing average benchmark prices of $91.48 per barrel

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of oil (West Texas Intermediate (WTI)) and $4.350 per MMBtu (Henry Hub spot). The twelve-month trailing average benchmark prices to be used in calculating proved reserves, PV-10 and Standardized Measure as of December 31, 2015 were $50.25 per barrel of oil (WTI) and $2.587 per MMBtu (Henry Hub spot) (the 2015 SEC Price Case). Using the 2015 SEC Price Case in estimating our proved reserves, without giving effect to any acquisitions or development activities we have executed during 2015, would likely result in a reduction in proved reserve volumes due to economic limits. Furthermore, any such reduction in proved reserve volumes combined with lower commodity prices would substantially reduce the PV-10 and Standardized Measure of our proved reserves as of a more recent date.

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USE OF PROCEEDS

We estimate that, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, we will receive approximately $198.5 million of net proceeds from this offering, or $228.4 million if the option to purchase additional shares is exercised in full. We anticipate that we will contribute all of the net proceeds from this offering to Parsley LLC in exchange for a number of PE Units equal to the number of shares of our Class A common stock issued by us in this offering. We will use a portion of such net proceeds to fund the Acquisition purchase price, and the remaining net proceeds will be used to fund a portion of our capital program and for general corporate purposes. This offering is not conditioned upon the consummation of the Acquisition.

We will not receive any proceeds from the sale of shares by the selling stockholder.

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of September 30, 2015:

- on an actual basis; and
- as-adjusted to give effect to this offering as if it had occurred on September 30, 2015, assuming no exercise of the option to purchase additional shares.

	September 30, 2015	
	Actual	As Adjusted
	(In thousands, except number of shares and par value)	
Cash and cash equivalents	$ 123,118	$ 321,648
Long-term debt:		
Revolving credit facility		
7.500% senior notes due 2022(1)	550,000	550,000
Other debt	2,178	2,178
Total indebtedness	$ 552,178	$ 552,178
Stockholders equity:		
Preferred Stock, $0.01 par value, 50,000,000 shares authorized, none issued and outstanding		
Common Stock		
Class A, $0.01 par value, 600,000,000 shares authorized, 123,817,542 issued and 123,721,449 outstanding, actual; 600,000,000 shares authorized, 135,044,815 issued and 134,948,722 outstanding, as adjusted	1,230	1,342
Class B, $0.01 par value, 125,000,000 shares authorized, 32,145,296 issued and outstanding; actual and as adjusted	321	321
Additional paid-in capital	1,041,988	1,240,406
Retained earnings	26,108	26,108
Treasury Stock, at cost, 96,093 shares at September 30, 2015, actual and as adjusted	(77)	(77)
Total stockholders equity	1,069,570	1,267,192
Total Capitalization	$ 1,621,748	$ 1,819,370