

# WesternZagros Announces Successful Closing of Rights Offering

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CALGARY, ALBERTA--(Marketwired - Nov 18, 2014) - [WesternZagros Resources Ltd.](#) (TSX VENTURE:WZR) ("**WesternZagros**" or the "**Company**") is pleased to announce the successful closing of its previously announced rights offering which expired on November 14, 2014 (the "Rights Offering"). The Rights Offering, together with the equity backstop arrangement provided by the Company's largest shareholder, Crest Energy International LLC ("Crest"), generated CDN\$200 million in gross proceeds to the Company which will be used to fund development costs on the Company's Kurdamir and Garmian blocks in the Kurdistan Region of Iraq and for general and administrative purposes.

"We are very pleased to have successfully completed the rights offering and related equity backstop arrangement with Crest which secures the financing necessary to bring our significant oil and gas discoveries into production and generate cash flow. With our financing secure, we look forward to progressing the development of these assets with our co-venturers and the Kurdistan Regional Government. I want to thank all of our shareholders who participated in the rights offering for their ongoing support of WesternZagros and especially wish to thank Crest for its unwavering support and confidence in WesternZagros and the significant value potential of our substantial oil and gas resources," said Simon Hatfield, WesternZagros's Chief Executive Officer.

The Company issued an aggregate of 32,937,293 common shares of the Company ("Common Shares") at a subscription price of CDN\$0.65 per share pursuant to the Rights Offering, including 7,868,629 Common Shares to Crest. In addition, Crest purchased 274,755,015 non-voting Class A Preferred Shares, Series 1, of the Company ("Non-Voting Shares") at a price of CDN\$0.65 per share on a private placement basis pursuant to the equity backstop agreement between the Company and Crest dated August 14, 2014. As a result, there are now a total of 511,894,803 Common Shares and 274,755,015 Preferred Shares issued and outstanding and Crest now holds 101,867,066 (19.9%) of the outstanding Common Shares and 100% of the Non-Voting Shares which are convertible into Common Shares on a one to one basis upon certain terms and conditions. In addition, as previously announced, Crest has agreed to provide the Company with debt financing of up to US\$200 million, available in two tranches. The first tranche is for up to US\$150 million and will be available to be drawn on or after October 1, 2015 and the second tranche is for up to US\$50 million and will be available on or after June 1, 2016.

FirstEnergy Capital Corp. acted as dealer manager and Kingsdale Shareholder Services acted as information agent for the Rights Offering.

The Common Shares issued to Crest were issued pursuant to an exemption from the registration requirements of the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and are subject to resale restrictions in the United States. The Non-Voting Shares issued to Crest were issued pursuant to applicable exemptions from prospectus requirements of the provinces of Canada and pursuant to an exemption from the registration requirements of the U.S. Securities Act, and are subject to resale restrictions until March 19, 2015 in accordance with applicable Canadian securities laws and to resale restrictions in the United States.

## About WesternZagros Resources Ltd.

WesternZagros is an international natural resources company focused on acquiring properties and exploring for, developing and producing crude oil and natural gas in Iraq. WesternZagros, through its wholly-owned subsidiaries, holds a 40 percent working interest in two Production Sharing Contracts with the Kurdistan Regional Government in the Kurdistan Region of Iraq. WesternZagros's shares trade in Canada on the TSX Venture Exchange under the symbol "WZR".

*This news release contains certain forward-looking information relating, but not limited to, the*

*expected use of proceeds and the benefits to be derived therefrom. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking information. Forward-looking information typically contains statements with words such as "anticipate", "plan", "estimate", "expect", "believe", "potential", "could", or similar words suggesting future outcomes. The Company cautions readers not to place undue reliance on forward-looking information as by its nature, it is based on current expectations regarding future events that involve a number of assumptions, inherent risks and uncertainties, which could cause actual results to differ materially from those anticipated by WesternZagros. In addition, the forward-looking information is made as of the date hereof, and the Company assumes no obligation to update or revise such to reflect new events or circumstances, except as required by law.*

*Forward-looking information is not based on historical facts but rather on management's current expectations and assumptions regarding, among other things, outcomes of future well operations, plans for and results of extended well tests and drilling activity, future capital and other expenditures (including the amount, nature and sources of funding thereof), future economic conditions, future currency and exchange rates, continued political stability, continued security in the Kurdistan Region, timely receipt of any necessary co-venturer, government or regulatory approvals, the successful resolution of disputes, the Company's continued ability to employ qualified staff and to obtain equipment in a timely and cost efficient manner, the participation of the Company's co-venturers in joint activities, and the ability to sell production and the prices to be received in connection therewith. Although the Company believes the expectations and assumptions reflected in such forward-looking information are reasonable, they may prove to be incorrect. Forward-looking information involves significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from those anticipated by WesternZagros including, but not limited to, risks associated with the oil and gas industry (e.g. operational risks in exploration and production; inherent uncertainties in interpreting geological data; changes in plans with respect to capital expenditures; interruptions in operations together with any associated insurance proceedings; the uncertainty of estimates and projections in relation to costs and expenses and health, safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the uncertainty associated with any dispute resolution proceedings, the uncertainty associated with negotiating with foreign governments and risk associated with international activity, including the lack of federal petroleum legislation and ongoing political disputes in Iraq and recent terrorist activities in Iraq in particular. For further information on WesternZagros and the risks associated with its business, please see the Company's Annual Information Form dated March 13, 2014 which is available on SEDAR at [www.sedar.com](http://www.sedar.com).*

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## **Contact**

[WesternZagros Resources Ltd.](http://www.westernzagros.com)

Greg Stevenson  
Chief Financial Officer  
(403) 693-7007

[WesternZagros Resources Ltd.](http://www.westernzagros.com)

Tony Kraljic  
VP Business Development  
(403) 693-7011

[WesternZagros Resources Ltd.](http://www.westernzagros.com)

Lisa Harriman  
Manager of Investor Relations  
(403) 693-7017  
[investorrelations@westernzagros.com](mailto:investorrelations@westernzagros.com)  
[www.westernzagros.com](http://www.westernzagros.com)

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