

Touchstone Exploration Inc. and Primera Energy Resources Ltd. Announce Proposed Business Combination

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CALGARY, Sept. 17, 2012 - [Touchstone Exploration Inc.](#) (TSX VENTURE:TAB) ("Touchstone" or the "Company") and [Primera Energy Resources Ltd.](#) (TSX VENTURE:PTT) ("Primera") are pleased to announce they have entered into an arrangement agreement (the "Arrangement Agreement") which provides that Touchstone will acquire all of the common shares of Primera (each a "Primera Share") not otherwise owned, directly or indirectly, by Touchstone, by way of a plan of arrangement (the "Arrangement") under the Business Corporations Act (Alberta).

Touchstone will acquire the outstanding Primera Shares in exchange for Touchstone common shares (each a "Touchstone Share"), on the basis of 0.90 of a Touchstone Share per Primera Share. Based on the current number of outstanding Primera Shares and options, Touchstone anticipates issuing a maximum of approximately 30,028,275 Touchstone Shares to complete the transaction.

Highlights of the Transaction

- Acquires production of approximately 450 bbls/d
- Production acquired at a cost of \$30,140 per flowing bbl
- Reserves acquired at a cost of \$13.61 per bbl on a proven basis and \$9.45 proven plus probable basis
- Two (2) immediate (2012) drilling locations on WD-4
- Seven (7) additional drilling locations identified on WD-4

Highlights of the Combined Company

Key attributes of the pro forma company include:

- Proved plus probable reserves of approximately 9,000 Mbbls (1)(2)
- Proved plus probable before-tax NPV 10% of approximately \$347 million (1)(2)
- Current production of approximately 2,000 bbls/d consisting entirely of onshore oil production
- Large inventory of drilling locations on sixteen (16) onshore blocks in Trinidad including WD-8, WD-4, Fyzabad and Coora
- Working interests in a high impact onshore exploration block at Cory Moruga and a high impact offshore exploration block at East Brighton

(1) As evaluated by GLJ Petroleum Consultants in an independent reserves assessment and evaluation of the oil and gas properties of Touchstone with an effective date of September 30, 2011.

(2) As evaluated by AJM Deloitte in an independent reserves assessment and evaluation of the oil and gas properties of Primera with an effective date of December 31, 2011.

After completion of the Arrangement, Touchstone will be led by its current management team, including Paul Baay as Chief Executive Officer, Ron Bryant as President and Chief Operating Officer, Greg Marr as Chief Financial Officer, and James Shipka as Vice President Exploration. The Board of Directors will remain the same, consisting of Paul Baay, Ron Bryant (who is also a current Primera director), Trevor Mitzel, Sean M. Durfy, R. Gregg Smith, Thomas Valentine and John Zang.

In commenting on the benefits of the proposed Arrangement, Mr. Paul Baay, Chairman of Touchstone, stated: "This transaction allows Touchstone to obtain full recognition for the ownership it has in Primera. The Company can now integrate both the property and team into the Touchstone group of companies." He went on to say "the assets in Primera are some of the most exciting on the island."

Geoffrey Leid, Chief Executive Officer of Primera, stated: "We believe this transaction is very attractive for Primera shareholders as it positions them to participate in a larger, more diversified company with enhanced

liquidity. We have great confidence in the ability of the Touchstone management team to generate increased value for shareholders in the combined company."

The Arrangement is subject to customary closing conditions, including the approval of 66 2/3% of the votes cast by the Primera shareholders, other than Primera Shares held directly or indirectly by Touchstone, voting separately, and such Primera shareholders and optionholders voting together, approval of the Arrangement by the Alberta court and regulatory approvals, including the approval of the TSX Venture Exchange ("TSX-V").

Options of Primera that are exercised before closing will also be entitled to participate in the transaction. Unexercised options outstanding at closing will entitle the holder to surrender such options for cancellation for the imputed value of the options in either cash, a fraction of a Touchstone Share, or combination thereof at their election, or otherwise be amended such that it will entitle the holder thereof to purchase the number of Touchstone shares equal to 0.90 of the number of Primera options held at an adjusted exercise price for a period of 90 days.

Touchstone is currently the largest indirect shareholder of Primera and controls an aggregate of 23,750,000 (41.6%) of the issued and outstanding Primera Shares through an indirect wholly-owned subsidiary Primera Block WD-4 Limited. Since Touchstone is currently a major indirect shareholder of Primera, the transaction is considered to be a "related party" transaction for the purposes of TSX Venture Exchange Policy 5.9 - Protection of Minority Security Holders in Special Transactions (which incorporates the provisions of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101")) and all Primera Shares indirectly owned or controlled by Touchstone will be excluded from voting on the Arrangement. The companies have determined that the transaction is exempt from the requirement under MI 61-101 to obtain an independent valuation.

Under the terms of the Arrangement Agreement, Primera has agreed that it will not solicit or initiate any inquiries or discussions regarding any other business combination and has granted Touchstone the right to match any superior proposals. The Arrangement Agreement also provides for the payment of a \$250,000 termination fee to Touchstone under certain circumstances if the transaction is not completed.

Disinterested directors and officers of Primera have entered into or agreed to enter into voting support agreements with Touchstone under which they have agreed, subject to the terms and conditions contained therein, to vote an aggregate of 3,655,560 common shares and 3,840,000 stock options of Primera held or controlled by them in favour of the Arrangement. This represents approximately 6.40% of the outstanding common shares and 79.49% of the outstanding options of Primera.

Primera is in the process of preparing an information circular relating to the Arrangement. Primera currently anticipates that the information circular will be mailed to its securityholders in early-November and that a special meeting of securityholders to consider the Arrangement will be held in late November, 2012. Subject to obtaining securityholder and court approvals, it is expected that the Arrangement will be completed in early December.

Peters & Co. Limited is acting as financial advisor to Primera and has provided the board of directors of Primera with its opinion as of the date hereof and subject to the review of the final documentation, that the consideration to be received by the Primera shareholders pursuant to the Transaction is fair, from a financial point of view, to Primera shareholders.

Paradigm Capital Inc. is acting as exclusive financial advisor to Touchstone in connection with the Arrangement. FirstEnergy Capital Corp., Stonecap Securities Inc. and CIBC World Markets Inc. are acting as strategic advisors to Touchstone.

Complete details of the terms of the transaction are set out in the Arrangement Agreement and plan of arrangement, which will be filed by each of Touchstone and Primera and will be available for viewing on SEDAR at www.sedar.com. The mailing of a management information circular to the securityholders of Primera is expected to occur in late-October.

Outlook

Touchstone has posted its latest corporate presentation which incorporates the proposed Arrangement on its website www.touchstoneexploration.com.

Forward-Looking Information

Certain information included in this press release constitutes forward-looking information under applicable

securities legislation. Such forward-looking information is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes, such as making investment decisions. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information in this press release may include, but is not limited to, information with respect to: the amount of potential reserves; operational decisions and the timing thereof, development and exploration plans and the timing thereof; future production levels; timing for completion of the Arrangement and the anticipated benefits resulting from the Arrangement described in this press release. Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect. Although the companies believe that the expectations reflected in such forward-looking information is reasonable, undue reliance should not be placed on forward-looking information because neither Touchstone or Primera can give assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this press release, assumptions have been made regarding and are implicit in, among other things: the ability of Touchstone and Primera to complete the Arrangement described in this press release and, once completed, to realize the anticipated benefits of the Arrangement and other transactions; the timely receipt of any required regulatory approvals (including Court and shareholder approvals); the ability to obtain qualified staff, equipment and services in a timely and cost efficient manner to develop its business; the ability to operate the properties in a safe, efficient and effective manner; the ability to obtain financing on acceptable terms; the ability to replace and expand oil and natural gas reserves through acquisition, development of exploration; the timing and costs of pipeline, storage and facility construction and expansion; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters; and the ability to successfully market its oil and natural gas products. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used.

Forward-looking information is based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Touchstone and Primera and described in the forward-looking information. The material risk factors affecting Touchstone and its business are contained in Touchstone's Annual Information Form which is available under Touchstone's issuer profile on SEDAR at www.sedar.com. The material risk factors affecting Primera and its business are contained in Primera's Annual Information Form which is available under Primera's issuer profile on SEDAR at www.sedar.com.

The forward-looking information contained in this press release is made as of the date hereof and neither Touchstone or Primera undertake any obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward looking information contained in this press release is expressly qualified by this cautionary statement.

Additional Advisories

Boes are presented on the basis of one Boe for six Mcf of natural gas. Disclosure provided herein in respect of Boes may be misleading, particularly if used in isolation. A Boe conversion ratio of 6 Mcf:1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Touchstone Shares to be offered have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended and may not be offered or sold in the United States or to a U.S. person absent registration or an applicable exemption from the registration requirements.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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