

C&C Energia Ltd. Announces Acquisition by Pacific Rubiales Energy Corp. & Creation of A New Colombia Focused Junior Exploration Company

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CALGARY, ALBERTA -- (Marketwire - Nov. 19, 2012) - [C&C Energia Ltd.](#) ("C&C Energia" or the "Corporation") (TSX:CZE) is pleased to announce that it has entered into an agreement with [Pacific Rubiales Energy Corp.](#) ("Pacific Rubiales") (TSX:PRE) (BVC:PREC) (BOVSPA:PREB) under which Pacific Rubiales will acquire all of the issued and outstanding shares of C&C Energia by way of a plan of arrangement under the Business Corporations Act (Alberta) (the "Arrangement Agreement"). Under the terms of the Arrangement Agreement, each common share of C&C Energia will be exchanged for 0.3528 common shares of Pacific Rubiales, cash consideration of \$0.001 and one common share of a new Colombia focused junior exploration company ("Newco") based in Calgary, Alberta (the "Proposed Arrangement"). Additionally, Pacific Rubiales will acquire a 5% shareholding interest in Newco in the Proposed Arrangement.

In connection with the Proposed Arrangement, C&C Energia will transfer to Newco its Colombian exploration assets in the Putumayo and Middle Magdalena Basins and approximately US\$80 million in cash, subject to working capital adjustments. The exploration assets comprise C&C Energia's participating interests in the Coati, Andaquies, Putumayo-8 and Morpho blocks. Newco will have a prospective acreage position with several drill-ready prospects in 2013, a well-funded balance sheet combined with an experienced exploration and management team.

Based on the closing price of Pacific Rubiales' shares on the Toronto Stock Exchange ("TSX") on November 16, 2012, the value of the portion of a Pacific Rubiales share to be received by each C&C Energia shareholder is approximately C\$7.81. In addition, as described in more detail below, management of C&C Energia estimates the net asset value of each share of Newco to be approximately C\$2.00. The combined consideration of approximately C\$9.81 represents an approximately 52% premium to C&C Energia's twenty-day, volume-weighted average trading price of approximately C\$6.47.

C&C Energia's management views the Proposed Arrangement as beneficial for C&C Energia and its shareholders. "This transaction not only crystalizes the value of the producing assets that we have developed over the last five years at very attractive metrics, but also retains our shareholders' exposure to some exciting high potential exploration opportunities" said Randy McLeod, President and CEO of C&C Energia. "We plan to move forward with our existing drilling plans for 2013 and the new company's balance sheet remains strong enough to be opportunistic in capturing additional exploration and production assets. In addition, C&C Energia's shareholders, through their ownership in Pacific Rubiales, will have access to a larger exploration and production portfolio and increased share liquidity."

The board of directors of C&C Energia has approved the transaction, after consultation with its financial and legal advisors, and has determined that the transaction is fair to C&C Energia's shareholders and is in the best interests of C&C Energia and its shareholders. Directors, executive officers and certain shareholders of C&C Energia who collectively hold approximately 42.7% of the common shares of C&C Energia on a fully diluted basis have entered into support agreements under which they have agreed to retain their shares of C&C Energia and to vote in favor of the Arrangement at the shareholder meeting. The C&C Energia board of directors recommends that C&C Energia shareholders vote in favor of the Proposed Arrangement. C&C Energia's financial advisor, FirstEnergy Capital Corp., has provided an opinion to the Board of Directors of C&C Energia, that the consideration to be received by C&C shareholders under the Proposed Arrangement is fair, from a financial point of view, to C&C shareholders. A copy of the opinion will be included in the information circular to be sent to C&C shareholders for the special meeting to be called to consider the Proposed Arrangement. Legal counsel for C&C Energia in Canada has been provided by Blake, Cassels & Graydon LLP and in Colombia by Posse Herrera & Ruiz. Pacific Rubiales' financial advisor is GMP Securities L.P.; its legal advisor is Norton Rose Canada LLP in Canada and Colombia.

The Arrangement Agreement contemplates, that under certain circumstances, a dual non-completion fee of C\$15 million by the non-completing party. The Arrangement Agreement also provides for customary non-solicitation covenants, subject to customary "fiduciary out" provisions, entitling C&C Energia to consider and accept a superior proposal and a right in favor of Pacific Rubiales to match any superior proposal.

The closing of the Proposed Arrangement is subject to the receipt of certain approvals by Pacific Rubiales and C&C Energia. These approvals include: all stock exchange and other regulatory approvals, receipt of the requisite shareholder and court approval for C&C Energia, no material adverse change having occurred in C&C Energia or Pacific Rubiales and a number of other matters customary in transactions of this nature. Full details of the transaction will be included in an information circular to be mailed to C&C Energia shareholders in accordance with applicable securities laws. The transaction is expected to close early in 2013.

The Proposed Arrangement

Management estimates that the value of the consideration to be received by C&C Energia shareholders will be:

	Estimates
1.0 common share of Newco	C\$2.00/share
0.3528 common shares of Pacific Rubiales	C\$7.81/share ¹
Estimated Value	C\$9.81/share

1 Based on the closing price of Pacific Rubiales' shares on the TSX on November 16, 2012.

Estimated Newco Net Asset Value January 2013:

	Estimates
Cash ¹	C\$ 80 million
Estimated Undeveloped Land Value ²	C\$ 55 million
Estimated Net Asset Value	C\$135 million
Basic shares ³	68 million
Estimated Net Asset Value per share	C\$2.00/share

1 Assumes US\$80 million cash transferred from existing C&C cash balances at US/CDN exchange rate of \$1.00 on closing.

2 Estimated undeveloped land value is based on management's risked economic view assuming certain capital, reserves, operating cost, realized pricing and other assumptions for the prospects on the four blocks. This is management's estimate and is not based on a third party valuation or reserves evaluation. There is no guarantee that this amount will reflect the value of Newco or that this amount will be reflected in the value of Newco's shares. Although management believes its evaluation and assumptions are reasonable, there is no guarantee that such assumptions will be realized and actual value of the undeveloped land could be significantly lower.

3 Included in this calculation are the 64.6 million Newco shares issued to C&C Energia shareholders and 3.4 million Newco shares to be retained indirectly by Pacific Rubiales in connection with the Proposed Arrangement. The balance of the securities is comprised of the "in the money" dilutive securities including options and warrants of C&C Energia that are assumed to be exercised prior to closing of the Proposed Arrangement. The exercise of all or any of the C&C Energia options and warrants referred to in this news release cannot be assured and assumptions made in this respect are solely for the purposes of the calculations set forth herein.

Strategic Rationale

The Proposed Arrangement is a culmination of C&C Energia's exploration and development success, during which production grew from approximately 4,400 bopd to current production of approximately 11,500 bopd. Management views the Proposed Arrangement as an opportunity for C&C Energia shareholders to realize value for a large portion of the Corporation's assets while continuing to participate directly in the upside of the exploration acreage in the Putumayo and Middle Magdalena basins in Colombia. Through ownership in Pacific Rubiales, the Proposed Arrangement allows shareholders to participate in the continued exploration development of the Llanos basin plays and gain exposure to a large, highly liquid, premium oil and gas company with a significant position in Colombia and emerging exploration potential in Papua New Guinea and Peru.

The Proposed Arrangement also allows Newco management to immediately apply its expertise at creating value in junior oil and gas entities following completion of the transaction. Newco will be well-capitalized at

inception with significant cash, no debt, and a focused portfolio of exploration assets. Management believes the four blocks in Newco have upside potential for shareholders with firm plans to drill at least three to four exploration wells in the next 12 months on the over 212,470 net acres of undeveloped land. In addition, management believes its strong balance sheet will provide it with the ability to proactively seek out and target attractive acquisitions to complement existing assets. The C&C Energia management team has a solid track record of building shareholder value in Colombia.

Newco

If the Proposed Arrangement is completed, Newco will be a growth-oriented junior exploration and production company led by Randy McLeod, current President and CEO of C&C Energia. Tomas Villamil, original founder of C&C Energia and current executive with the Corporation, is expected to join Newco in an executive capacity. The remainder of the executive and management team positions will be filled prior to deal closing. The board of directors of Newco will consist of certain existing members of C&C Energia's current board of directors and new members to be selected in connection with the Proposed Agreement. Newco will continue with C&C Energia's approach of increasing shareholder value through a combination of exploration, strategic acquisitions and subsequent exploitation while maintaining a conservative approach to balance sheet management.

FORWARD LOOKING STATEMENTS:

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws (collectively, the "forward-looking statements"). More particularly, this press release contains statements and information concerning: the terms of the Proposed Arrangement; expectations regarding the timing of steps to complete the Proposed Arrangement; C&C Energia's and Newco's drilling plans, future growth plans, potential of assets, reserves and values attributable thereto and per share growth; the anticipated value of the consideration to be received by the shareholders of C&C Energia; the capitalization and debt levels of Newco; the transfer of certain assets to Newco; the intention of Newco to seek out and target acquisitions; the estimated value of Newco's undeveloped land and the estimated net asset value of Newco; Pacific Rubiales share ownership in Newco; the net asset value per share for Newco; the treatment of C&C Energia's outstanding options and warrants; the effects of the Proposed Arrangement; C&C Energia's and Newco's growth strategy; and the nature of their assets. In addition, the use of any of the words "guidance", "initial", "scheduled", "can", "will", "prior to", "estimate", "anticipate", "believe", "potential", "should", "unaudited", "forecast", "future", "continue", "may", "expect", "project", and similar expressions are intended to identify forward-looking statements. The forward-looking statements contained herein are based on certain key expectations and assumptions made by the Corporation including expectations and assumptions concerning: shareholder and regulatory approvals for the Proposed Arrangement and the receipt of those approvals; assumptions regarding success of optimization and efficiency improvement projects; the availability of capital; current legislation; and general economic conditions.

Although the Corporation believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Corporation can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: risks that all necessary regulatory and third party approvals will not be forthcoming; risks that C&C Energia or Pacific Rubiales will not be satisfied with their respective due diligence procedures; risks that the parties will not be able to identify appropriate risks associated with the oil and gas industry in general; commodity price and exchange rate fluctuations; changes in legislation affecting the oil and gas industry and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Certain of these risks are set out in more detail in the Corporation's annual information form, which has been filed on SEDAR and can be accessed at www.sedar.com or its website www.ccenergialtd.com.

The forward-looking statements contained in this press release are made as of the date hereof and the Corporation undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

This press release shall not constitute an offer to sell, nor the solicitation of an offer to buy, any securities in the United States, nor shall there be any sale of securities mentioned in this press release in any state in the United States in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

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