

Winstar Resources Ltd reaches an agreement for sale of the company to Kulczyk Oil Ventures Inc

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CALGARY, April 25, 2013 - [Winstar Resources Ltd](#) ("Winstar" or the "Company") (TSX:WIX) announces today that it has entered into an Arrangement Agreement (the "Agreement") whereby [Kulczyk Oil Ventures Inc.](#) ("KOV" or the "Purchaser") will acquire all of the issued and outstanding common shares of Winstar (the "Transaction").

Under the terms of the Agreement, each Winstar shareholder will receive, for each Winstar share, at the shareholder's election: i) C\$2.50 in cash (the "Cash Consideration"); or ii) 7.555 KOV ordinary shares (the "Share Consideration"), subject to a maximum of C\$35 million in cash being paid to Winstar shareholders in aggregate. The Cash Consideration will be funded by a consortium of investors (together, the "Consortium") led by Kulczyk Investments SA ("KI"), which is a significant shareholder of KOV. Pursuant to the terms of the Transaction, any Winstar shares acquired by the Consortium under the Agreement will be exchanged for the Share Consideration and will be subject to a hold period of 180 days post-closing of the Transaction.

The Transaction values the entire issued and to be issued share capital of Winstar at approximately C\$112 million¹, based on the closing price of KOV's shares on April 24, 2013 of PLN 1.28 (approximately C\$0.41 based on the April 24, 2013 Bank of Canada noon spot rate) and the exchange ratio which values each Winstar share at C\$3.11, representing a 73% premium over the closing price of the Winstar shares on the Toronto Stock Exchange ("TSX") on April 24, 2013, a 57% premium over the volume weighted average price (VWAP) of the Winstar shares on the TSX over the last thirty trading days, and a 40% premium over the VWAP of the Winstar shares on the TSX on the day prior to announcement of its strategic alternatives process on July 3, 2012.

Winstar's Chairman, Bruce Libin, comments: "After evaluating Winstar's strategic alternatives over the last months, including a thorough consideration of our ability to create shareholder value as an independent entity, the Board concluded the proposed transaction with KOV is in the best interests of shareholders. We believe KOV's business plan, highly experienced management team and proven track record of identifying and delivering value in upstream oil and gas assets when applied to the combination of KOV's and Winstar's assets provides significant potential to enhance shareholder value. The merged company will have a very attractive diversified portfolio. I look forward to being a shareholder and director of the new KOV."

KOV's President and CEO, Tim Elliott, comments: "The combination of Winstar's and KOV's assets will result in a company with 2P reserves in excess of 20 million boe and production of approximately 4,760 barrels of oil equivalent per day ("boe/d") with a clear path to materially increasing production in the near term. The acquisition will also allow KOV to leverage its proven operational expertise to rapidly, and materially, increase production, reserves and cash flow from Winstar's Tunisian assets for the benefit of both companies' shareholders. We thank everyone involved in this transaction and are looking forward to working with Winstar's staff going forward"

Analyst Conference Call and Presentation

An analyst conference call and presentation have been scheduled for Thursday, April 25, 2013 at 5:00pm (Warsaw) / 11:00am (Toronto), and the presentation will be made available on Winstar's website at www.winstar.ca. Details for this call will be sent individually to analysts.

Non-analysts wishing to access the call may do so in a 'listen only' format via the telephone numbers below:

Canada: 1-866-228-9189
Poland: 00800-121-2717
United Kingdom: 0800-358-5256
Conference ID: 4616336

Those wishing to dial in from outside these jurisdictions should call the UK number.

1 Based on 36.0 million diluted Winstar shares.

About Kulczyk Oil Ventures Inc.

KOV is an international upstream oil and gas exploration and production company with a diversified portfolio of projects in Ukraine, Brunei, Syria and with a risk profile ranging from exploration in Brunei and Syria to production and development in Ukraine. The common shares of KOV trade on the Warsaw Stock Exchange under the trading symbol "KOV". In Ukraine, KOV owns an effective 70% interest in KUB-Gas LLC. The assets of KUB-Gas LLC consist of 100% interests in five licences near to the City of Lugansk in the northeast part of Ukraine. Four of the licences are gas producing. In Brunei, KOV owns a 90% working interest in a production sharing agreement which gives KOV the right to explore for and produce oil and natural gas from Block L, a 1,123 square kilometre area covering onshore and offshore areas in northern Brunei. In Syria, KOV holds a participating interest of 50% in the Syria Block 9 production sharing contract with an agreement to assign a 5% ownership interest to a third party. KOV declared force majeure, with respect to its operations in Syria, in July 2012. The main shareholder of KOV is Kulczyk Investments S.A., an international investment house founded by Polish businessman Dr. Jan Kulczyk.

About Winstar Resources Ltd.

Based in Calgary, Alberta, Canada, with offices in the Netherlands, Switzerland, Romania and Tunisia, Winstar is an oil and gas exploration, development and production company. Winstar's principal areas of operations are in Tunisia where it holds operated working interests in four onshore producing oil and gas fields and one currently suspended oil and gas concession. In addition, Winstar has farmed in on the Satu Mare concession in northwest Romania with an option to earn up to a 60% working interest.

In Tunisia, Winstar holds a 100% operated interest in the Chouech Essaida, Ech Chouech, Zinna and Sanrhar concessions, and a 45% operated interest in the Sabria concession. As at December 31, 2012, Winstar reported net proved and probable reserves of 11.2 million boe and in its southern Tunisian acreage, has identified high potential for unconventional Silurian shale resources. Winstar's net production for the first half of April 2013 from its Tunisian assets is approximately 1,660 boe/d.

Director Resignations/Retirement

Bernard de Combret resigned as a director of Winstar on April 18, 2013. Charles de Mestral resigned as a director and retired as an officer of Winstar on April 23, 2013. Winstar understands these actions were based on a difference in views as to the strategic direction of the Company.

Background and Transaction Rationale

The Board of Directors of Winstar formed a Special Committee of independent directors to engage in a review of strategic alternatives and to conduct discussions with interested parties. Following a wide ranging process with many interested parties, the Winstar Board, on the recommendation of the Special Committee, entered into negotiations with KOV which resulted in the Agreement. The terms of the Agreement have been reviewed and approved by the Special Committee and the Board of Directors of Winstar, and after receiving financial and legal advice, the Board of Directors of Winstar has determined that the Transaction is in the best interests of Winstar and recommends that shareholders vote in favour of the Transaction.

FirstEnergy Capital Corp ("FirstEnergy") has provided the Board of Directors of Winstar an opinion, subject to review of the final form of documentation effecting the Agreement and completion of confirmatory due diligence, that the consideration to be received by the Winstar shareholders in connection with the Transaction is fair, from a financial point of view, to Winstar shareholders. A copy of the fairness opinion will be included in the proxy circular to be sent to Winstar shareholders for the special meeting to be called to consider the Transaction.

The Transaction provides the following benefits for Winstar and KOV shareholders:

- KOV has a proven ability to leverage the latest E&P technology to under-funded, legacy assets, leading to material increases in production, reserves and cash flow:
 - Following the acquisition of a 70% interest in KUB-Gas LLC, KOV increased gross production in Ukraine from 5.0 million cubic feet equivalent per day ("mmcfe/d") in June 2010 to current production of 26.6 mmcfe/d, for net production to the 70% KOV interest of 18.6 mmcfe/d or approximately 3,100 boe/d, with

additional future gas production behind pipe;

-- KOV believes that Winstar's Tunisian assets provide similar low-risk development opportunities, and that similar technology and operational expertise can be used to materially increase production, reserves and cash flow from the assets;

- The Transaction is anticipated to result in a company with:

-- 13 licences across five countries, with operatorship on all licences;

-- 20.6 million boe of working interest 2P reserves and approximately 4,760 boe/d of current net production²;

-- Continuous development drilling in Ukraine and Tunisia targeting substantial increases in production; and

-- High-impact exploration drilling in Brunei and Romania.

- KOV proposes to undertake a near-term development program in Tunisia of drilling new wells, work-overs, dual completions, frac stimulation and horizontal wells to drive production increases, similar to development program undertaken following its KUB-Gas LLC acquisition;

- The combined company is well funded to undertake an aggressive development program to unlock value in historically under-funded assets.

Support Agreements

Each director and senior officer of Winstar, certain investment funds administered by Yorktown Partners Group ("Yorktown") and the principals of Yorktown, and Pala Assets Holdings Limited ("Pala"), collectively representing approximately 54.2% of the issued and outstanding shares of Winstar, have committed to vote all Winstar shares beneficially owned or controlled by them in favour of the Transaction, subject to the terms and conditions of the support agreements entered into with KOV in support of the Transaction.

Each director and senior officer of Winstar, Pala and the Yorktown principals, who collectively hold 27.9% of the issued and outstanding shares of Winstar, will elect to the Share Consideration.

The investment funds administered by Yorktown, which collectively hold approximately 26.3% of the issued and outstanding shares of Winstar, will elect to receive the Cash Consideration.

Timing and Conditions to Closing

The Transaction is to be carried out by way of a statutory plan of arrangement pursuant to the Business Corporations Act (Alberta). The Transaction will have to be approved by 66 2/3% of the votes cast by Winstar shareholders in person or by proxy at a special meeting of Winstar shareholders. Closing is subject to certain other conditions, including approval by the Court of Queen's Bench of Alberta. The Annual and Special Meeting of Winstar shareholders to approve the Transaction is currently expected to be held on June 20, 2013, with the closing of the Transaction to occur shortly thereafter. A proxy circular will be prepared and mailed to shareholders in May 2013 providing shareholders with important information about the Transaction. Once mailed, the proxy circular will be available at the SEDAR website at www.sedar.com. All shareholders are urged to read the proxy circular once it is available.

Around the same time as the Annual and Special Meeting of Winstar shareholders, KOV will hold a meeting of its shareholders to seek approval of a consolidation of the enlarged company's post combination shares on a 10 for 1 basis and to change the company name to Serinus Energy Inc.

The Agreement includes customary non-solicitation covenants by Winstar and provides Winstar with the ability to respond to unsolicited proposals considered superior to the Transaction in accordance with the terms of the Agreement. In the event a superior proposal is accepted, Winstar will be required to pay a termination fee of C\$4.5 million to the Purchaser. The Purchaser has the right to match a superior proposal. In the event the Purchaser fails to satisfy its obligations under the Agreement and complete the Transaction, it will be required to pay a reverse termination fee of C\$4.5 million to Winstar.

2 First half April production of approximately 1,660 boe/d from Winstar and approximately 3,100 boe/d from KOV

It is a condition of the Agreement that KI exercises its option to convert the existing US\$12 million loan amount plus accrued interest into common shares of KOV on or prior to the effective date of the Transaction in accordance with the provisions of the loan agreement. KOV has been informed by KI that it is KI's current intention to serve the conversion election notice on or about May 8, 2013. The loan amount will be

converted into KOV shares at a price per share equal to the five day volume weighted average price of KOV shares on the Warsaw Stock Exchange during the five trading days immediately prior to but excluding the date of the conversion election notice, therefore the exact number of KOV shares issuable to KI upon conversion of the convertible debenture is uncertain, as the final conversion price will only be determined in the future. The conversion election notice will state that the conversion of the loan amount into KOV shares is conditional upon the successful closing of the Transaction.

Post Combination

Subsequent to the successful closing of the Transaction, the shares of Winstar will cease trading and will be de-listed from the TSX. Winstar anticipates that KOV will make an original listing application to the TSX to list the ordinary shares of KOV (including those issued in connection with the Transaction) on the TSX. It is a condition to the completion of the Transaction that the ordinary shares of KOV shall have been approved for listing on the TSX, subject only to the filing of documentation that cannot be filed prior to the effective date, such that the ordinary shares of KOV shall be listed and posted for trading on the TSX as soon as is reasonably practicable following the effective date in accordance with TSX policies.

Serinus Energy Inc will maintain its listing on the Warsaw Stock Exchange which provides improved access to European investors and capital. On closing, the board of directors of the company will comprise of ten directors, eight from KOV and two from Winstar with the addition of Bruce Libin and Evgenij Iorich as non-executive directors.

Serinus Energy Proposed Board of Directors:

Name	Proposed Role	Current Role
Dariusz Mioduski	Chairman	Chairman of KOV
Norman Holton	Vice Chairman	Vice Chairman of KOV
Timothy Elliot	Director	Director of KOV
Gary King	Director	Director of KOV
Manoj Madhani	Director	Director of KOV
Michael McVea	Director	Director of KOV
Stephen Akerfeldt	Director	Director of KOV
Helmut Langanger	Director	Director of KOV
Bruce Libin	Director	Chairman of Winstar
Evgenij Iorich	Director	Director of Winstar

Advisor

FirstEnergy is acting as exclusive financial advisor to Winstar in connection with the Transaction.

Forward-Looking Statements

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking statements or information. More particularly and without limitation, this press release contains forward-looking statements and information concerning: the timing and anticipated receipt of required regulatory, court and securityholder approvals for the Transaction; the ability of Winstar and the Purchaser to satisfy the other conditions to, and to complete, the Transaction; and the anticipated timing of the mailing of the information circular regarding the Transaction and the closing of the Arrangement.

In respect of the forward-looking statements and information concerning the anticipated completion of the proposed Transaction and the anticipated timing for completion of the Transaction, Winstar has provided such in reliance on certain assumptions that it believes are reasonable at this time, including assumptions as to the time required to prepare and mail Winstar shareholder meeting materials, including the required information circular; the ability of the parties to receive, in a timely manner, the necessary regulatory, court and shareholder approvals, and the ability of the parties to satisfy, in a timely manner, the other conditions to the closing of the Transaction. These dates may change for a number of reasons, including unforeseen delays in preparing meeting materials, inability to secure necessary shareholder, regulatory, court or other third party approvals in the time assumed or the need for additional time to satisfy the other conditions to the

completion of the Transaction. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release concerning these times.

Risks and uncertainties inherent in the nature of the Transaction include the failure of Winstar or the Purchaser to obtain necessary shareholder, regulatory and court approvals, or to otherwise satisfy the conditions to the Transaction, in a timely manner, or at all. Failure to so obtain such approvals, or the failure of Winstar or the Purchaser to otherwise satisfy the conditions to the Transaction, may result in the Transaction not being completed on the proposed terms, or at all. In addition, the failure of Winstar to comply with the terms of the Agreement may result in Winstar being required to pay a non-completion fee to the Purchaser, the result of which could have a material adverse effect on Winstar's financial position and results of operations and its ability to fund growth prospects and current operations.

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on other factors that could affect the operations or financial results of Winstar are included in reports on file with applicable securities regulatory authorities and which may be accessed on Winstar's SEDAR profile at www.sedar.com. The forward-looking statements and information contained in this press release are made as of the date hereof and Winstar 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.

BOE

Reference herein to "boe" mean barrels of oil equivalent and is derived by converting gas to oil in the ratio of six thousand cubic feet (Mcf) of gas to one barrel (bbl) of oil. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf to 1 bbl is based upon an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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