

Tuscany Energy Ltd. and Diaz Resources Ltd. Announce Execution of Definitive Agreement for Proposed Business Combination

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CALGARY, ALBERTA -- (Marketwired - May 17, 2013) - [Tuscany Energy Ltd.](#) ("Tuscany") (TSX VENTURE:TUS) and [Diaz Resources Ltd.](#) ("Diaz") (TSX VENTURE:DZR) are pleased to jointly announce that they have entered into a definitive arrangement agreement in connection with a proposed business combination (the "Transaction") whereby Tuscany will acquire, subject to certain conditions, all of Diaz's issued and outstanding common shares on the basis of 0.31 of a common share of Tuscany for each one (1) Diaz common share pursuant to a Plan of Arrangement under the Alberta Business Corporations Act. Following completion of the Transaction and a proposed consolidation of Tuscany's common shares on an 8 for 1 basis to be completed subsequent thereto, Tuscany will have approximately 18.6 million common shares outstanding, of which approximately 80.3% will be held by current shareholders of Tuscany and approximately 19.7% of which will be held by former shareholders of Diaz. Based on independent reserve evaluations with an effective date of December 31, 2012 the combined entity will have total proved plus probable reserves of approximately 2.5 million barrels of oil equivalent ("BOE"). The companies hold approximately 85,000 net acres of undeveloped land. Combined production levels of the companies totalled approximately 635 BOE per day (405 bopd, 1.38 mcfpd) for the month of May, 2013.

Closing is expected to occur on or about July 15, 2013, subject to satisfaction of certain conditions including standard stock exchange, court and regulatory approvals and the requisite two-thirds majority approval of Diaz's shareholders and majority of minority approvals of both Tuscany's and Diaz's shareholders. An information circular, to be prepared jointly by the parties, will be mailed to shareholders of both Tuscany and Diaz in connection with the shareholder meetings of each company to consider and approve the Transaction which are expected to be held on July 15, 2013.

Board Recommendations

The Board of Directors of both Tuscany and Diaz each established a Special Committee comprised of independent directors with a mandate, among other things, to consider the Transaction and to make a recommendation to the respective Boards of Directors in respect thereof. The Special Committee of the Board of Directors of each of Tuscany and Diaz recommended that the respective Boards of Directors approve the Transaction. Based on the recommendation of their respective Special Committee, the Boards of Directors of each of Tuscany and Diaz, with certain directors abstaining, in accordance with ABCA, approved the Transaction. The Boards of Directors have concluded that the Transaction is in the best interest of their respective shareholders and company and have resolved to recommend that its shareholders vote their shares in favour of the Transaction.

Acumen Capital Finance Partners Limited ("Acumen") was engaged to act as Tuscany's exclusive financial advisor with respect to the Transaction. Acumen has advised the Board of Directors of Tuscany and its Special Committee that, in its opinion, subject to review of final documentation, the Transaction is fair, from a financial point of view, to Tuscany shareholders.

Sayer Energy Advisors ("Sayer") was engaged to act as Diaz's exclusive financial advisor with respect to the Transaction. Sayer has advised the Board of Directors of Diaz and its Special Committee that, in its opinion, subject to review of final documentation, the consideration to be received by Diaz shareholders pursuant to the Transaction is fair, from a financial point of view, to Diaz shareholders.

Shareholder support

Certain shareholders, including the directors and members of senior management of each of Tuscany and Diaz, who beneficially own or exercise control or direction over approximately 39% of the outstanding Tuscany common shares and 75% of the outstanding Diaz common shares, have indicated that they intend to enter into support agreements pursuant to which they agreed to vote their Tuscany and Diaz shares, as the case may be, in favour of the Transaction.

Robert W. Lamond and Humboldt Capital Corporation, a company controlled by him own 45.1 million shares

of Tuscany (37.7% of the outstanding shares of Tuscany) and 74.2 million shares of Diaz (75.3% of the outstanding shares of Diaz). Assuming the Transaction is completed as contemplated they will own 8.4 million shares of Tuscany post consolidation (45.1% of the post consolidated shares of Tuscany outstanding).

Benefits of the Transaction

The management of both Tuscany and Diaz believe the business combination will have synergistic benefits for the future growth of the companies. One of Tuscany's major properties at Macklin, Saskatchewan is jointly owned by the two companies and has been assigned proved and probable reserves for 10 additional horizontal drilling locations in the independent engineering evaluations prepared for the companies. In addition, both companies share working interests in other oil prospects in Alberta and Saskatchewan that are in various stages of development which may also be accelerated as a result of the transaction.

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Where amounts are expressed on a barrel of oil equivalent (BOE) basis, natural gas volumes have been converted to barrels of oil on the basis of six thousand cubic feet (mcf) per barrel (bbl). Barrels of oil equivalent may be misleading, particularly if used in isolation. A BOE conversion ratio has been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel and is based on an energy equivalent conversion method applicable at the burner tip and does not represent an economic value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 mcf: 1 bbl, using a conversion on a 6 mcf: 1 bbl basis may be misleading as an indication of value.

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 information or statements. More particularly and without limitation, this press release contains forward looking statements and information concerning the combined company's reserves, undeveloped landholdings and anticipated benefits from the Transaction. The forward-looking statements and information are based on certain key expectations and assumptions made by Tuscany and Diaz, including expectations and assumptions concerning prevailing commodity prices and exchange rates, applicable royalty rates and tax laws; future well production rates and reserve volumes; the timing of receipt of regulatory and shareholder approvals, the performance of existing wells; the success obtained in drilling new wells; and the sufficiency of budgeted capital expenditures in carrying out planned activities; and the availability and cost of labour and services. Although Tuscany and Diaz believe that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because Tuscany and Diaz can give no assurance that they will prove to be correct.

Since forward-looking statements and information 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, the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to reserves, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations. There are risks also inherent in the nature of the proposed Transaction, including failure to realize anticipated synergies or cost savings; risks regarding the integration of the two entities; incorrect assessments of the values of the other entity; and failure to obtain the required shareholder, court, regulatory and other third party approvals.

This press release also contains forward-looking statements and information concerning the consolidation, the anticipated completion of the proposed Transaction and the anticipated timing of the meetings of the Diaz and Tuscany shareholders and the completion of the Transaction. Tuscany and Diaz have provided these anticipated times in reliance on certain assumptions that they believe are reasonable at this time, including assumptions as to the time required to prepare meeting materials for mailing, the timing of receipt of the necessary regulatory and court approvals and the time necessary to satisfy the 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 regulatory or court approvals in the time assumed or the need for additional time to satisfy the 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. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Tuscany's, Diaz's or the combined company's operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com), in the case of Tuscany, at Tuscany's website (www.tuscanyenergy.com), and in the case of Diaz, at Diaz's website (www.diazresources.com). The forward-looking statements and information contained in this press release are made as of the date hereof and Tuscany and Diaz undertake 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.

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