Alexander Energy Ltd. to Combine With Renegade Petroleum Ltd. to Create Premier Light Oil, High-Growth Company

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Alexander Energy Ltd. ("Alexander") (TSX VENTURE:ALX) and Renegade Petroleum Ltd. ("Renegade") (TSX VENTURE:RPL) are pleased to announce that they have entered into an agreement (the "Arrangement Agreement") that provides for the combination of Alexander and Renegade (the "Transaction") to create a premier light oil focused high-growth company. The combined company will maintain a Saskatchewan focused and concentrated asset base of high netback, low decline light oil assets which, along with a strong financial position and significant financial flexibility, will position the combined company to provide investors with consistent, per share growth.

The combination of Alexander and Renegade will be effected by way of a plan of arrangement (the "Arrangement") under the Business Corporations Act (Alberta) and will result in the combined company carrying on business under the name Spartan Energy Corp. ("Spartan") and trading on the TSX Venture Exchange under the symbol "SPE".

The Transaction further advances Alexander's stated business plan of promoting aggressive growth through a targeted acquisition and consolidation strategy, complemented by development and exploration drilling. The combined company will have a high quality asset base characterized by large oil in place, low declines and a significant inventory of development drilling opportunities with attractive capital efficiencies.

Spartan will be led by the existing management team and board of directors of Alexander. The Alexander management team is led by Richard (Rick) McHardy as President & Chief Executive Officer, Michelle Wiggins as Vice President, Finance and Chief Financial Officer, Fotis Kalantzis as Vice President, Exploration, Eddie Wong as Vice President, Engineering, Albert Stark as Vice President, Operations and Tom Boreen as Vice President, Geology. The Alexander executive team has a solid track record of creating value in high-growth, light oil and gas companies through an integrated strategy of acquiring, exploiting and exploring attractive plays and opportunities.
Upon completion of the Arrangement, the Spartan board of directors will be comprised of Don Archibald, Michael Stark (Chairman), Grant Greenslade, Rick McHardy and Reg Greenslade. In addition, it is contemplated that Tom Budd, currently a member of the board of directors of Renegade, will be appointed to the board of directors of Spartan at closing. Sanjib Gill will act as Corporate Secretary.

Transaction Summary:

Pursuant to the Arrangement Agreement, Alexander has agreed to acquire all of the issued and outstanding common shares of Renegade (the "Renegade Shares") on the basis of holders of Renegade Shares ("Renegade Shareholders") receiving 2.25 common shares (0.5625 of a common share post-completion of the Alexander 4:1 share consolidation) of Alexander (the "Alexander Shares") for each Renegade Share held. Based on Alexander's five day weighted average trading price of $0.69, the implied price per Renegade Share is $1.55, representing a 65% premium to the five day weighted average trading price of the Renegade Shares of $0.94.

Underlying its commitment to build an aggressive growth oriented company, Alexander intends to cancel the existing monthly dividend paid by Renegade upon the closing of the Arrangement.

"This transaction will establish a significant presence for Spartan in southeast Saskatchewan and will position the company for continued growth and success. This is the second high quality acquisition since the recapitalization of Alexander just two months ago, and a key strategic step in our growth towards becoming an oil-focused intermediate producer in the coming years." said Rick McHardy, President and Chief Executive Officer of Alexander.

Andrew Greenslade, Interim Chief Executive Officer of Renegade, added, "Alexander brings a proven management team with a track record of value creation for shareholders. We are proud of the high quality assets that our team has put together and is contributing to the Transaction. The combined company represents an exciting opportunity for Renegade Shareholders to retain their exposure to the upside inherent in these assets, and participate in a larger, more liquid, light oil focused entity with a substantial platform for growth."

Transaction Metrics:

Alexander is acquiring elite, operated, low decline light oil assets located in southeast Saskatchewan and west central Saskatchewan. The Transaction has the following characteristics:

Total Transaction Price (including net debt)(1)(2): $495 million
Production(2)(3): 5,200 BOE/D (96.6% oil and liquids)
Proved reserves(2)(4): 15.97 MMBOE (91.8% oil and liquids)
Proved plus probable reserves(2)(4): 22.74 MMBOE (92.2% oil and liquids)

Total development drilling locations: Based on current production, the assets have a reserve life index of more than 8.4 years (Proved) and 12.0 years (P+P)
145 (111 net) booked and 180 (155 net) unbooked drilling locations in Saskatchewan
Operating netback(5): $52.25/bbl
Assumed net debt(2)(6): $168 million (inclusive of estimated transaction costs)
Infrastructure: The assets include all key producing infrastructure including batteries, gas plants, pipelines and waterflood facilities.
Operatorship and working interest: The assets have an average working interest of approximately 84% and the net production acquired is more than 96% operated.
Undeveloped land: 150,571 net undeveloped acres (internally evaluated by a qualified professional within Alexander management at $22.6 million using $150/acre).
Tax pools: $548 million in tax pools.

The Transaction is accretive to Alexander on a per share basis on all key metrics. Using the $1.55 implied price per Renegade Share, the transaction metrics are as follows (net of $22.6 million of undeveloped land value):
Production: $90,846 per BOE/D
Proved reserves: $29.58 per barrel
Proved plus probable reserves: $20.77 per barrel
Proved plus probable reserves recycle ratio 2.5x

Notes:

(1) Assuming deemed price per Renegade Share of $1.55 and assumed net debt of $168 million inclusive of estimated transaction costs of $13 million.
(2) Assumes the completion of the disposition by Renegade of certain producing assets to an arm's length party as previously announced by Renegade on January 13, 2014.
(3) January, 2014 average, net of the assets to be disposed by Renegade as described under (2) above.
(4) Company gross reserves being Renegade's working interest share before deduction of royalties and without including any royalty interests of Renegade. Based on the independent reserve report dated March 21, 2013 and effective December 31, 2012, prepared by Sproule Associates Limited in accordance with NI 51-101 and the COGE Handbook.
(5) Calculated by subtracting royalties and operating costs from revenues and assuming a commodity price of $92.50 for Edmonton Light and excluding hedging losses.
(6) Inclusive of estimated transaction costs of $13 million.

Strategic Rationale for the Transaction:

The Transaction advances Alexander's stated business plan of promoting aggressive growth through a targeted acquisition and consolidation strategy, complemented by development and exploration drilling. The combined company will have a high quality asset base characterized by large oil in place, low declines and a significant inventory of development drilling opportunities with attractive capital efficiencies. Alexander expects to be able to grow production from the properties being acquired while generating significant free cash flow. Renegade Shareholders will have an opportunity to participate in an aggressive growth oriented company led by an experienced management team that has a demonstrated history of success. Management of both Alexander and Renegade believe that the Transaction will provide significant benefits to both sets of shareholders and will have the following key characteristics:

- The pro forma company will become one of the dominant light oil producers in southeast Saskatchewan.

- Renegade's assets are focused in several large, high quality, light oil reservoirs with significant original oil in place ("OOIP") and low recovery factors to date relative to analogous pools.

- Alexander believes that there is significant unrealized value in the Renegade assets. Management of Alexander has identified numerous workover and recompletion opportunities along with an extensive inventory of low risk development drilling opportunities.

- The pro forma company will benefit from an experienced board of directors and technically focused management team with a proven track record of value creation;

- The increased market capitalization will provide enhanced liquidity to both groups of shareholders and will improve the combined company's access to capital and cost of capital;

- The combined company will have a significantly improved balance sheet and will be well positioned to grow through further acquisitions and development drilling;

- The integration of the operations of Alexander and Renegade will allow the combined company to realize improvements in operating costs and corporate overhead costs which will result in improved netbacks and cash flow; and

- The Transaction is intended to be structured as a tax deferred rollover for Renegade Shareholders.

Key Attributes of Pro Forma Spartan:

- A high quality, Saskatchewan focused asset base with high netbacks and a low decline rate asset, providing Spartan an attractive platform for growth;

- High working interest properties combined with company-owned infrastructure ideally positioning Spartan to execute on its future growth plans;

- Current production of 6,150 BOE/D (approximately 93% liquids weighting)(1);

- A base decline rate of approximately 24%;

- Attractive capital efficiencies of approximately $25,000 - $30,000 per BOE (based on first year average production);

- The assets of the combined company provide operational diversity and an extensive inventory of 389 (316 net) horizontal drilling locations (of which 228 (191 net) are currently unbooked) across large oil in place assets that are typified by low risk, repeatable drilling, year round access and extensive existing infrastructure;

- Operating netbacks in excess of $51.00 per barrel(2);

- 27.24 MMBOE of Proved plus Probable reserves, generating a reserve life index of over 12 years based on current production(1)(3); and

- Significant financial flexibility with estimated pro forma net debt of $107 million against a $278 million anticipated credit facility(1).

Notes:

(1) Assumes the completion of the disposition by Renegade of certain producing assets to an arm's length party as previously announced by Renegade on January 13, 2014.
(2) Based on Edmonton light pricing assumption of $92.50/bbl, prior to hedging.
(3) Company gross reserves being the pro forma company's working interest share before deduction of royalties and without including any royalty interests of Renegade. Based on the independent reserve reports dated March 21, 2013 and March 4, 2013 and effective December 31, 2012, prepared by Sproule Associates Limited and McDaniel & Associates Consultants Ltd., respectively, in accordance with NI 51-101 and the COGE Handbook.

Renegade currently has 4,000 bbl/d of oil production hedged through December, 2014 at an average price of Cdn. $ 92.46 WTI. The expiry of the existing hedges would add approximately $13.2 million to the run rate cash flow of the pro forma company based on an oil price assumption of Cdn. $101.65 WTI per barrel.

Guidance:

Spartan expects to target future debt-adjusted production per share growth in excess of 20%, while maintaining its strong balance sheet, through low risk development drilling, as well as drilling and operational improvements. In addition, Spartan will continue to pursue accretive, opportunistic acquisitions as part of its ongoing strategy.

The strategic combination of Alexander and Renegade is anticipated to close on or about March 31, 2014. During the interim period until the closing date, the management of Alexander will continue to conduct an intensive review of Renegade's asset base, including planned capital expenditures, drilling inventory and targets, and operational optimization opportunities, so as to make the most appropriate plans for the balance of 2014, and 2015. Accordingly, Spartan plans to provide updated guidance for 2014 and 2015 following the closing of the Transaction.

The Arrangement:

Completion of the Arrangement is subject to the satisfaction of a number of conditions, including the receipt of requisite shareholder, court and regulatory approvals, and satisfaction of certain other closing conditions that are customary for a transaction of this nature. The Arrangement will need to be approved by not less than 66 2/3% of the votes cast by Renegade Shareholders, voting in person or by proxy, at a special meeting expected to be held on or about March 31, 2014 (the "Renegade Meeting"). The Arrangement also requires the approval of the Court of Queen's Bench of Alberta.

Under the terms of the Arrangement Agreement, Renegade has agreed that it will not solicit or initiate any inquiries or discussions regarding any other business combination or sale of assets. Renegade has granted Alexander the right to match any superior proposals. The Arrangement Agreement also provides for a reciprocal non-completion fee of $17 million under certain circumstances. For more information on the Arrangement and the Arrangement Agreement, please refer to the full Arrangement Agreement, a copy of which will be filed by each of Alexander and Renegade on SEDAR and will be available for viewing under their respective profiles on www.sedar.com.

Macquarie Capital Markets Canada Ltd. and TD Securities Inc. are acting as financial advisors to Renegade in connection with the Arrangement and have provided the board of directors of Renegade (the "Renegade Board") with their verbal opinions that, as of the date thereof, subject to receipt and review of the final documentation related to such opinions and the Transaction, and certain assumptions, limitations and qualifications contained therein, the consideration to be received by the Renegade Shareholders is fair, from a financial point of view, to the Renegade Shareholders.

The Renegade Board has unanimously approved the Arrangement Agreement and, based on a number of factors, including the fairness opinions provided by Macquarie Capital Markets Canada Ltd. and TD Securities Inc., determined that the consideration to be received by Renegade Shareholders pursuant to the Arrangement is fair to Renegade Shareholders, determined that the Arrangement is in the best interests of Renegade, and unanimously resolved to recommend that Renegade Shareholders vote in favour of the Arrangement.

Peters & Co. Limited is acting as exclusive financial advisor to Alexander in connection with the Arrangement and has provided the board of directors of Alexander (the "Alexander Board") with its verbal opinion that, as of the date thereof, subject to review of the final documentation in respect of the Arrangement, and certain assumptions, limitations and qualifications contained therein, the consideration to be paid by Alexander pursuant to the Arrangement is fair, from a financial point of view, to the holders of Alexander Shares.

The Alexander Board has unanimously approved the Arrangement Agreement and, based on a number of factors, including the fairness opinion of Peters & Co. Limited, determined that the Arrangement is in the best interests of Alexander.

The mailing of an information circular to the Renegade Shareholders regarding the Renegade Meeting is expected to occur in late February, 2014. The Renegade Meeting and the closing of the Arrangement are expected to occur on or about March 31, 2014, provided that all shareholder, court and regulatory approvals are obtained.

Financial Advisors:

Peters & Co. Limited is acting as exclusive financial advisor to Alexander in connection with the Arrangement. Clarus Securities Inc. is acting as strategic advisor to Alexander in connection with the

Arrangement. Macquarie Capital Markets Canada Ltd. and TD Securities Inc. are acting as financial advisors to Renegade in connection with the Arrangement.

Further Information:

Alexander is a Calgary, Alberta based company engaged in the oil and gas exploration and development industry with operations focused in southeast Saskatchewan and central Alberta.

Renegade is a light oil focused development and production company with assets located in Saskatchewan, Alberta, Manitoba and North Dakota.

Further information about Alexander or Renegade may be found in their continuous disclosure documents filed with Canadian securities regulators at www.sedar.com.

Forward Looking Statements

The term barrels of oil equivalent ("BOE") may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel (6mcf/bbl) of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All BOE conversions in the report are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.

Original oil in place (OOIP) is the equivalent to Discovered Petroleum Initially In Place (DPIIP) for the purposes of this Release. DPIIP is defined as quantity of hydrocarbons that are estimated to be in place within a known accumulation, plus those estimated quantities in accumulations yet to be discovered. There is no certainty that it will be commercially viable to produce any portion of the resources.

Certain information included in this press release constitutes forward-looking information under applicable securities legislation. 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, timing for completion of the Arrangement. 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 Alexander and Renegade believe that the expectations reflected in its forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because Alexander and Renegade can give no 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 timely receipt of any required regulatory approvals (including Court and shareholder approvals). 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 Alexander and Renegade and described in the forward-looking information. The forward-looking information contained in this press release is made as of the date hereof and Alexander and Renegade undertake no 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.

The estimates of net debt and funds from operations contained in this press release are financial outlooks within the meaning of applicable securities laws. These financial outlooks have been prepared by management of Alexander to provide an outlook of Alexander's anticipated funds from operations for a full year of operations with its current assets and based on management's expectations and assumptions as to a number of factors, including commodity pricing, production, operating expenses and royalties. Readers are cautioned that this information may not be appropriate for any other purpose. Management does not have firm commitments for all of the costs, expenditures, prices or other financial assumptions used to prepare the financial outlooks or assurance that such results will be achieved. The actual results of Alexander will likely vary from the amounts set forth in the financial outlooks and such variation may be material. Alexander and its management believe that the financial outlooks have been prepared on a reasonable basis, reflecting the best estimates and judgments, and represent, to the best of management's knowledge and opinion, Alexander's expected expenditures and results of operations following completion of the Transaction. However, because this information is highly subjective and subject to numerous risks, including the risks discussed under the note regarding Forward Looking Statements, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, Alexander undertakes no *obligation to update this information.*

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 Alexander 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.

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CONTACT INFORMATION

Alexander Energy Ltd.
Richard F. McHardy, President and CEO
(403) 265-6444
(403) 264-1348 (FAX)

Michelle Wiggins, Vice President, Finance and CFO
(403) 265-6444
(403) 264-1348 (FAX)
info@alexanderenergy.ca
www.alexanderenergy.ca

Renegade Petroleum Ltd.
Andrew Greenslade, Interim CEO
(403) 930-1102

Mark Lobello, Interim CFO
(403) 355-8921
(403) 355-2779 (FAX)
www.renegadepetroleum.com