

Canamax Announces New Management Team and Agreement to Acquire Ki Exploration Inc.

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CALGARY, March 17, 2014 - [Canamax Energy Ltd.](#) ("Canamax" or the "Company") (TSX VENTURE:CAC) is pleased to announce the following:

1. Appointment of a new management team;
2. Arrangement agreement to acquire Ki Exploration Inc. ("Ki"), a private Canadian oil and gas exploration company;
3. Operational update on the Wapiti farm-in well; and
4. Release of the Company's Reserve Report, effective February 28, 2014.

Kevin Adair, Board Chairman commented, "Canamax's latest reserve report and the expected successful earning well at Wapiti establish a very solid base for future growth. The expected addition of Ki, together with an expanded, highly experienced management team should ensure that Canamax is well positioned to continue its aggressive growth plan."

(1) MANAGEMENT CHANGES

The following senior management team members were appointed by the Company on March 17, 2014:

1. Brad Gabel, President & CEO;
2. Chris Martin, Vice President, Finance, CFO & Corporate Secretary; and
3. Jeremy Krukowski, Vice President, Operations & COO.

Brad Gabel, President & CEO: Mr. Gabel brings significant experience to the Company in acquisition and divestiture transactions, a primary focus for Canamax in the near term as the Company continues to evaluate further acquisitions of financially distressed junior oil and gas companies in western Canada. He also brings significant experience in dealing with capital markets and managing corporate growth.

Mr. Gabel, currently a director of Canamax, has successfully started, grown and sold multiple public and private companies in the oilfield sector over the past 18 years. Most recently, he was President of Pure Energy Services Ltd. ("Pure") from June 2009 until its acquisition in October 2012 by Houston-based FMC Technologies Ltd. ("FMC") for approximately CDN \$280 million. Mr. Gabel has assisted with the transition effort until now. Prior to joining Pure, Mr. Gabel was the President and CEO of Canadian Sub-Surface Energy Services Corp. ("Canadian Sub-Surface") which he co-founded in 1996. Canadian Sub-Surface went public in 2006 and was subsequently acquired by Pure in 2009.

Chris Martin, Vice President, Finance, CFO and Corporate Secretary: Mr. Martin has significant experience in acquisition and divestiture transactions. He has 23 years of experience as a Chartered Accountant and was most recently the Vice President, Finance and CFO for Pure from 2009 until Pure was acquired by FMC in 2012, and remained with Pure through 2013 to assist with the transition. Prior to his work with Pure, he was Vice President, Finance and CFO of Canadian Sub-Surface from 2005 to 2009 and has previously held CFO positions with several companies, including Calvalley Petroleum Inc. and Jet Energy Corp.

Jeremy Krukowski, Vice President, Operations and COO: Mr. Krukowski is a professional engineer with over 20 years of experience in the oil patch. Since May 2013, he was the Vice President, Operations of the Company and has been instrumental in the acquisitions and drilling success to date. Previously, he was a founder and Vice President, Operations of Rimfire Energy Inc. from 2010 through 2013; a company which has grown from zero production to 600 BOE/D. From 2007 to 2010, he was a founder and Vice President, Operations of Onyx (2006) Inc. which grew from zero to 600 BOE/D of production prior to its sale to Whitecap Resources Inc. From 2001 to 2007, he was a founder and Vice President, Operations of Onyx Oil and Gas Ltd. which grew from zero to 1,600 BOE/D at the time of its sale to Exoro Energy Inc.

"Brad Gabel and Chris Martin bring strong entrepreneurial backgrounds and a wealth of public company and capital markets experience to compliment Jeremy Krukowski's extensive operational capabilities" commented Kevin Adair. "The new management team, in combination with the significant experience of the Company's directors, enhances the capability for Canamax to continue executing on its near-term strategy of

acquiring junior companies at attractive financial metrics and rationalizing and exploiting the related acquired properties."

W. Allan King will be resigning as President and CEO of the Company but will assist with the transition of Mr. Gabel. Mr. King will remain as a director and hold the position of Exploration Advisor of the Company going forward. Canamax would like to thank Mr. King for his contributions over the past two years, especially for his efforts during the restructuring period.

Mr. Robert McMorran of Malaspina Consultants Inc. will be resigning as Vice President, Finance, CFO and Corporate Secretary of the Company but will also assist in the transition period. Canamax wishes to thank Mr. McMorran for all of his contributions during his time with the Company.

(2) ARRANGEMENT AGREEMENT TO ACQUIRE KI EXPLORATION INC.

On March 17, 2014, Canamax signed an arrangement agreement (the "Arrangement Agreement") with Ki to acquire all of the common shares of Ki (the "Arrangement") for expected total consideration of approximately \$6.0 million (through a combination of issuing Canamax common shares and warrants and assuming Ki debt).

Completion of the Arrangement is subject to certain conditions including but not limited to: (a) Ki's debt not exceeding \$2.75 million, (b) Canamax raising aggregate gross proceeds of at least \$4.5 million from one or more private placement equity offerings, (c) Ki raising aggregate gross proceeds of at least \$1.5 million from a private placement offering of subscription receipts, and (d) other customary conditions for a transaction of this nature, including court and regulatory approvals (including the TSX Venture Exchange) and the approval of 66 2/3% of the votes cast by Ki shareholders represented in person or by proxy at a meeting of Ki shareholders to be called to consider the Arrangement.

a. Consideration, Ki Debt and Canamax Financing

Under terms of the Arrangement, Canamax expects to assume approximately \$2.5 million in Ki debt and issue to Ki shareholders approximately \$3.5 million of Canamax units (the "Arrangement Units"), where the price per Arrangement Unit will be \$1.20. Each Arrangement Unit will consist of one common share of Canamax and one half of one common share purchase warrant (a "Canamax Warrant"). Each whole Canamax Warrant will entitle the holder to purchase one Canamax common share for \$2.40 for a period commencing on the completion date of the Arrangement and ending on March 31, 2016. The number of Arrangement Units issued will be adjusted if Ki's debt is either less than or greater than \$2.5 million subject to a cap of \$2.75 million.

Canamax is required to complete one or more equity private placements before completion of the Arrangement for at least \$4.5 million in gross proceeds, where \$0.75 million of those proceeds must come from Canamax insiders (and their associates and affiliates). If the Company raises less than \$0.75 million from Canamax insiders prior to completion of the Arrangement, Canamax will be required to issue to Ki shareholders additional Arrangement Units equivalent in value to 50% of such shortfall, on the basis of \$1.20 per Arrangement Unit.

b. Oil and Gas Reserves

Ki's reserves (all in western Canada) were last evaluated by an independent qualified reserves evaluator, GLJ Petroleum Consultants Ltd. ("GLJ"), with an effective date of December 31, 2012 (the "GLJ Report"). The GLJ Report was prepared in compliance with National Instrument 51-101 (Standards of Disclosure for Oil and Gas Activities) ("NI 51-101") and in accordance with the definitions, standards and procedures of the COGE (Canadian Oil and Gas Evaluation) Handbook (the "COGE Handbook").

The following table presents a summary of Ki's reserves as of December 31, 2012. Ki's total interest share of proved plus probable reserves before royalties (gross reserves) was approximately 1.8 million BOE, comprised 55% of oil and natural gas liquids, and 45% of natural gas.

Ki Exploration		Net Present Values				
Before Income Taxes						
	Gross	Net				
Category	Oil Equivalent (MBoe)	Oil Equivalent (MBoe)	(\$M)	@ 0% (\$M)	@ 5% (\$M)	@ 10% (\$M)
PROVED RESERVES						
Proved Developed Producing		637	560	9,928		8,065
Proved Developed Non-Producing		0	0	0	0	0
Proved Undeveloped	258	223	2,845		1,939	1,272
Total Proved	895	783	12,773	10,004		8,190
PROBABLE RESERVES						
Probable Developed Producing		234	207	4,680		3,089
Probable Developed Non-Producing		132	116	4,383		2,162
Probable Undeveloped	550	452	8,165		6,094	4,638
Total Probable	916	775	17,229	11,345		8,187
TOTAL PROVED + PROBABLE		1,811	1,558	30,002		21,349

Notes:

1. Gross Ki reserves is Ki's total interest share before deduction of all royalties payable by Ki.
2. Net Ki reserves is Ki's total interest share after deduction of all royalties payable by Ki.
3. Based on GLJ's January 1, 2013 escalated price forecast.
4. Future net revenues have been presented on a before tax basis. It should not be assumed that the present worth of estimated future net revenue presented in the table above represents the fair market value of the reserves. There is no assurance that the forecasted prices and cost assumptions will be attained and variances could be material. The recovery and reserve estimates of Ki's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein.
5. MBOE stands for thousand barrels of oil equivalency where each barrel of oil and natural gas liquids is converted to a BOE at a ratio of 1:1 and each thousand cubic feet of natural gas (Mcf) is converted to a BOE at a ratio of 6:1.

If the Arrangement is completed, the Company expects to have a new reserve report prepared concerning Ki's assets in accordance with NI 51-101 by an independent qualified reserves evaluator.

c. Production and Field Cash Flow

During 2013, Ki's estimated production averaged approximately 390 BOE/D with resulting field cash flow of approximately \$2.3 million. The 2013 exit production rate was approximately 340 BOE/D (approximately 66% natural gas and 34% oil and natural gas liquids). Due to Ki's financial condition, only a small amount of maintenance capital has been expended on producing wells over the past year. Current production rates are estimated at 330 BOE/D.

d. Arrangement Metrics

For an expected \$6.0 million in Arrangement consideration, the two primary Ki acquisition metrics are approximately:

- \$18,000 per flowing BOE
- 3 times multiple of trailing cash flow

e. Timing and Additional Information

A meeting of Ki shareholders to consider and vote on the Arrangement is expected to take place at the end of April. Subject to required Ki shareholder approval, court approval, TSX Venture Exchange approval and the other conditions being satisfied, completion of the Arrangement is expected to occur shortly after the Ki

shareholder meeting.

A copy of the Arrangement Agreement will be filed on Canamax's SEDAR profile and will be available for viewing at www.sedar.com.

(3) OPERATIONAL UPDATE - Wapiti Farm-in

Further to Canamax's February 14, 2014 press release, the 9-21-67-8W6 Wapiti well was rig released on February 22, 2014 after penetrating 1200 meters horizontally in the Cardium Formation. The 9-21 well, drilled at 100% of Canamax's cost, has earned Canamax a 70% working interest in two and one-quarter sections in the Wapiti area. Following the rig release, the 9-21 well was fracture stimulated with 5,907 barrels of frac oil in 15 stages with all of the frac oil being recovered during a 98 hour flowback period. After recovery of all frac oil, the well was flowed for an additional 63 hour test period at a gross average oil rate of 678 barrels of oil per day. During the final three hours of the test period, the well flowed at a gross average rate of 532 barrels of oil per day of 41.8° API sweet crude and 623 MCF per day (total of approximately 636 BOE/D) with no water.

The above test results are not necessarily indicative of long-term performance or ultimate recovery. Canamax management anticipates that the initial 30-day average production rate for the 9-21 well will be in the range of 310 BOE/D gross (217 BOE/D net), comprised 81% oil and natural gas liquids, and 19% natural gas based upon the test data and initial rates of several offsetting producing wells in the local area. The 9-21 well is expected to be tied-in and on production prior to the end of March 2014.

(4) ANNUAL RESERVE REPORT

The Company's reserves (all western Canada) were evaluated by an independent qualified reserves evaluator, Sproule Associates Ltd. ("Sproule"), with an effective date of February 28, 2014 (the "Sproule Report") to match the Company's financial year-end date of February 28, 2014. The Sproule Report was prepared in compliance with NI 51-101 and in accordance with the definitions, standards and procedures of the COGE Handbook.

The Wapiti 9-21 well was included in the Sproule Report in the Proven Undeveloped category. There were also Proven Undeveloped reserves assigned by Sproule for two other future Cardium oilwell locations in Section 21 of the Wapiti property.

The following table presents a summary of the Company's reserves as of February 28, 2014. Canamax's working interest share of proved plus probable reserves before royalties (gross reserves) was approximately 2.5 million BOE, comprised 67% of oil and natural gas liquids, and 33% of natural gas.

Category	Canamax		Net Present Values				
	Before Income Taxes		Oil Equivalent (MBOE)	Oil Equivalent (MBOE)	(\$M)	(\$M)	(\$M)
	Gross	Net					
PROVED RESERVES							
Proved Developed Producing			343.7	289.1	12,912	11,617	
Proved Developed Non-Producing			226.9	172.9	8,528	4,932	
Proved Undeveloped		992.7	845.0	26,277	17,496	11,617	
Total Proved	1,563.2		1,307.0	47,717	34,045	25,617	
PROBABLE RESERVES							
Probable Developed Producing			115.0	94.9	4,782	3,556	
Probable Developed Non-Producing			100.1	77.0	4,099	1,980	
Probable Undeveloped		754.0	605.9	25,352	14,307	8,528	
Total Probable	969.1		777.8	34,233	19,844	12,752	
TOTAL PROVED + PROBABLE			2,532.3	2,084.9	81,951	53,888	

Notes:

- Gross Company reserves is the Company's working interest share before deduction of all royalties payable

by Canamax.

- Net Company reserves is the Company's working interest share after deduction of all royalties payable by Canamax.

- Based on Sproule's February 28, 2014 escalated price forecast.

- Future net revenues have been presented on a before tax basis. It should not be assumed that the present worth of estimated future net revenue presented in the table above represents the fair market value of the reserves. There is no assurance that the forecast prices and cost assumptions will be attained and variances could be material. The recovery and reserve estimates of Canamax's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein.

- The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

- MBOE stands for thousand barrels of oil equivalency where each barrel of oil and natural gas liquids is converted to a BOE at a ratio of 1:1 and each thousand cubic feet of natural gas (Mcf) is converted to a BOE at a ratio of 6:1.

Additional information relating to the Company's year-end reserve evaluation will be filed on SEDAR in compliance with applicable securities laws.

About Canamax

Canamax is a junior oil and gas company in the business of consolidating micro-cap junior oil and gas companies in the Western Sedimentary Basin.

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

Forward-Looking Statements

Certain information in this press release constitutes forward-looking statements under applicable securities law. Any statements that are contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may," "should," "anticipate," "expects," "seeks" and similar expressions. Specific forward-looking statements included in this press release include comments related to the expected impact of the new management team, the proposed acquisition of Ki by Canamax pursuant to a plan of arrangement, the total amount and composition of the consideration payable by Canamax pursuant to the Arrangement Agreement, the debt of Ki at the effective time of the Arrangement, the calling of the meeting of Ki shareholders to approve the Arrangement, timing of the completion of the Arrangement, the expected production rate for the 9-21 well at Wapiti and activities relating thereto.

Forward-looking statements necessarily involve known and unknown risks and uncertainties, including, without limitation, Canamax's ability to achieve financial and other benefits resulting from the successful completion of the Arrangement; the risks associated with oil and gas production; marketing and transportation; loss of markets; volatility of commodity prices; currency and interest rate fluctuations; imprecision of reserve estimates; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions or dispositions; inability to access sufficient capital from internal and external sources; changes in legislation, including but not limited to income tax, environmental laws and regulatory matters. Readers are cautioned that the foregoing list of factors is not exhaustive. In addition, the Arrangement Agreement is subject to a number of conditions. Failure to satisfy any of these conditions, the emergence of a superior proposal, the failure to obtain approval of the Ki shareholders or the failure to obtain financing may result in the Arrangement not being completed on the proposed terms, or at all. In addition, statements relating to "reserves" are by their nature forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future. The recovery and reserves estimates provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered.

Readers are cautioned not to place undue reliance on forward-looking statements as there can be no

assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

The forward looking statements contained in this news release are made as of the date of this news release, and Canamax does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by securities law.

Conversion

BOE's 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. In addition, 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 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

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