

Long Run Exploration Ltd. Announces Closing of Previously Announced Acquisition of Strategic Long Life Assets

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CALGARY, ALBERTA--(Marketwired - May 30, 2014) - [Long Run Exploration Ltd.](#) ("Long Run" or the "Company") (TSX:LRE) is pleased to announce the closing of the previously announced acquisition (the "Acquisition") of certain strategic oil and liquids-rich natural gas assets focused on the Cardium in the Deep Basin and Pine Creek areas of Alberta. Total consideration, after closing adjustments, was approximately \$225 million, with a closing date of May 30, 2014 and an effective date of April 1, 2014. The Acquisition was funded from the Company's \$120 million bought deal equity financing (the "Offering"), the disposition of 400 BOE/d of heavy oil from the Company's Lloydminster property and the Company's credit facilities.

The Acquisition provides a key entry point into an additional core area in the Deep Basin and Pine Creek areas of Alberta, focused on Cardium exploration and development. The Acquisition properties are currently producing approximately 6,600 BOE/d (25% oil and NGLs).

The Acquisition was partially funded through the Offering, effected through a syndicate of underwriters co-led by National Bank Financial Inc. and Macquarie Capital Markets Canada Ltd. and including Scotia Capital Inc., Canaccord Genuity Corp., CIBC World Markets Inc., Clarus Securities Inc., Cormark Securities Inc. and FirstEnergy Capital Corp. (collectively, the "Underwriters"), which closed on April 30, 2014. Pursuant to the Offering, Long Run issued 25,530,000 subscription receipts (the "Subscription Receipts") for gross proceeds of approximately \$120 million. In accordance with the terms of the Subscription Receipts, in connection with the closing of the Acquisition, holders of Subscription Receipts received one common share of the Company ("Common Share") for each Subscription Receipt and proceeds from the sale of the Subscription Receipts were released from escrow. Holders of Subscription Receipts are not required to take any action in order to receive the Common Shares. Holders of Subscription Receipts shall receive an amount equal to the dividend declared on our Common Shares of \$0.0335 per Subscription Receipt, which was paid to holders of Common Shares on May 15, 2014. Previous holders of Subscription Receipts who received the Common Shares pursuant thereto and who hold such Common Shares at the close of business on May 30, 2014 will be entitled to receive the dividend declared on the Common Shares of \$0.0335 per share payable to holders of record at such time which will be paid on June 16, 2014.

At May 30, 2014, the Company has approximately 149.6 million Common Shares outstanding, including the Common Shares issued pursuant to the Subscription Receipts and the Common Shares issued on conversion of all of the 15.5 million non-voting convertible shares of Long Run outstanding and held by Sprott Resource Corp., as previously announced on May 21, 2014. After such conversion, Long Run has no non-voting convertible shares outstanding.

Concurrent with closing of the Acquisition, Long Run's credit facilities have been increased to \$575 million from the previous \$475 million.

As previously disclosed, Long Run intends to increase its monthly dividend by 5% from \$0.0335 to \$0.035 per share (\$0.42 per share annualized), effective for the June 2014 dividend, payable in July 2014.

Long Run is a Calgary-based intermediate oil and natural gas company focused on light-oil development and exploration in western Canada. For further information about Long Run, visit the Company's website at www.longrunexploration.com.

Forward-Looking Statements and Other Advisories

This press release contains forward-looking statements and forward-looking information (collectively

"forward-looking information") within the meaning of applicable securities laws relating to the Company's plans and other aspects of Long Run's anticipated future operations and plans, including expected effects of the Acquisition and the Offering, the dividend previous holders of Subscription Receipts will receive on the Common Share issuable pursuant thereto and the timing thereof and the intention to increase the dividend payable on the Common Shares and the timing thereof. Forward-looking information typically uses words such as "anticipate", "believe", "project", "expect", "goal", "plan", "intend" or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future. The forward-looking information is based on certain key expectations and assumptions made by Long Run's management, including expectations and assumptions concerning prevailing commodity prices, exchange rates, interest rates, applicable royalty rates and tax laws; future production rates and estimates of operating costs; performance of existing and future wells; reserve and resource volumes; anticipated timing and results of capital expenditures; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the state of the economy and the exploration and production business; results of operations; performance; business prospects and opportunities; the availability and cost of financing, labor and services; the impact of increasing competition; ability to market oil and natural gas successfully; and Long Run's ability to access capital.

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Long Run can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature they involve inherent risks and uncertainties. The acquisition and the Offering and the other transactions referred to in this press release may not be completed on the anticipated time frames or at all and the Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that the Company will derive there from. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide security holders with a more complete perspective on Long Run's future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect our 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).

These forward-looking statements are made as of the date of this press release and Long Run disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

"Boe" means barrel of oil equivalent on the basis of 6 mcf of natural gas to 1 bbl of oil. 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. Given 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, utilizing a conversion ratio at 6 mcf: 1 Bbl may be misleading as an indication of value.

Contact

[Long Run Exploration Ltd.](#)

William E. Andrew
Chair and Chief Executive Officer
(403) 261-6012

[Long Run Exploration Ltd.](#)

Dale A. Miller
President
(403) 261-6012

[Long Run Exploration Ltd.](#)

Corine Bushfield
Chief Financial Officer
(403) 261-6012

[Long Run Exploration Ltd.](#)

Jason Fleury
Vice President, Business Development
(403) 261-8302

[Long Run Exploration Ltd.](#)

Investor Relations
(888) 598-1330
information@longrunexploration.com

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