

Paris Energy and Mapan Energy Announce Corporate Transaction and Related Asset Acquisition, Financing and Reconstitution of Board and Management

02.07.2014 | [Marketwired](#)

CALGARY, ALBERTA -- (Marketwired - July 2, 2014) - Paris Energy Inc. (TSX VENTURE:PI) ("Paris") and [Mapan Energy Ltd.](#) ("Mapan"), a private company founded by Richard A. Walls, are pleased to announce that they have entered into an arrangement agreement whereby Paris will acquire all of the issued and outstanding shares of Mapan pursuant to a plan of arrangement under the Business Corporations Act (Alberta) on the basis of twelve (12) common shares ("Paris Shares") of Paris for each one (1) common share (a "Mapan Share") of Mapan, following which, management of Mapan will become management of Paris and the board of directors of Paris will be reconstituted to be comprised of directors nominated by Mapan (the "Corporate Transaction").

Mapan has also entered into a purchase and sale agreement with Shell Canada Energy to acquire certain oil and gas properties and infrastructure located in the Deep Basin of West Central Alberta and Northeastern British Columbia for a purchase price of \$132.5 million (subject to customary closing adjustments) (the "Asset Acquisition"). A portion of the purchase price is to be financed with the net proceeds from a "bought deal" private placement of 57,500,000 subscription receipts at a price of \$2.00 per subscription receipt to be conducted by a syndicate of underwriters led by FirstEnergy Capital Corp. and GMP Securities L.P. for aggregate gross proceeds of \$115 million (the "Private Placement"). Each subscription receipt will be exchanged for one Mapan Share in connection with completion of the Asset Acquisition. The remainder of the Asset Acquisition purchase price will be funded by cash on hand and a \$55 million credit facility to be provided to Mapan by its bank. It is a condition to the completion of the Corporate Transaction that the Private Placement and the Asset Acquisition are completed beforehand and that the Paris Shares issued in exchange for the Mapan Shares pursuant to the Corporate Transaction are listed for trading on the TSX Venture Exchange (the "TSXV").

Asset Acquisition

The oil and gas properties and infrastructure to be acquired pursuant to the Asset Acquisition include: production, lands and P&NG rights in two areas of the Alberta and British Columbia Deep Basin comprised of 203,200 gross acres (162,000 net acres) of which approximately 120,000 net acres are undeveloped lands. Average production from the lands year to date is approximately 7,000 barrels of oil equivalent per day ("BOED") of which 90 per cent is natural gas production. Average production for the full year of 2014 is expected to be 6,520 BOED. Proved Developed Producing ("PDP") plus Probable Producing Reserves as determined by an independent report (effective March 31, 2014) prepared for Mapan by GLJ Petroleum Consultants ("GLJ") are 15.16 million barrels of oil equivalent ("BOE") of which 83 per cent are PDP Reserves. Certain strategic infrastructure acquired with the Asset Acquisition includes 250km of gas pipelines, field compression facilities with a combined total net capacity of approximately 185 mmcf/d and long term gas processing arrangements at two major gas plants. Substantially all of the production, gas pipeline and field compression will be operated by Mapan after closing of the Asset Acquisition.

Completion of the Asset Acquisition is contingent upon the satisfaction of customary closing conditions, including the receipt of all required regulatory approvals.

Private Placement

Further to the above, Mapan has entered into an agreement with a syndicate of underwriters led by FirstEnergy Capital Corp. and GMP Securities L.P. to issue, on a bought deal basis, 57,500,000 subscription receipts at a price of \$2.00 per subscription receipt for aggregate gross proceeds of \$115 million. The proceeds of the Private Placement will be held in escrow pending closing of the Asset Acquisition, at which time they will be released and each subscription receipt will be exchanged for one Mapan Share without the payment of any additional consideration or any further act on the part of the holders of the subscription receipts.

The subscription receipts will be offered in each of the provinces of Canada and in the United States pursuant to exemptions from the prospectus requirements under Canadian securities legislation and registration requirements of the United States Securities Act of 1933, as amended.

As described above, the net proceeds of the offering will be used to partially fund the Asset Acquisition.

Corporate Transaction

There are currently 6,643,701 Mapan Shares and 17,720,347 Paris Shares outstanding. Assuming 57.5 million subscription receipts are issued pursuant to the Private Placement, Paris will issue an aggregate of 769.7 million Paris Shares pursuant to the Corporate Transaction at a deemed price of \$0.1667 for an aggregate purchase price of \$128.2 million. Accordingly, there will be approximately 787.42 million Paris Shares issued and outstanding following the Corporate Transaction, of which 2.2% will be held by current Paris shareholders, 10.1% will be held by current Mapan shareholders and 87.7% will be held by subscribers to the Private Placement.

Shareholders of Paris holding approximately 58.9% of the outstanding Paris Shares have entered into lock-up agreements agreeing to support the Corporate Transaction and have signed a written consent authorizing and approving the Corporate Transaction. All of the shareholders of Mapan have also entered into lock-up agreements and have signed a unanimous resolution authorizing and approving the Corporate Transaction. In addition, the Corporate Transaction has been unanimously approved by each of the boards of directors of Mapan and Paris

In addition to completion of the Private Placement and the Asset Acquisition, the Corporate Transaction is conditional upon receipt of all required regulatory approvals, including approval of the TSXV, approval of the Court of Queen's Bench of Alberta and certain other customary conditions for transactions of this nature.

Closing of the Corporate Transaction is expected to occur on or about July 31, 2014. Following the Corporate Transaction it is anticipated that Paris will hold a special meeting of shareholders for the purposes of approving a consolidation of the Paris Shares on a 1 for 12 basis and approving a name change of Paris to "Mapan Energy Ltd.". It is anticipated, that post consolidation, Mapan will have approximately 65.62 million shares outstanding. Further details with respect to the consolidation and name change will be included in the information circular to be provided to Paris shareholders in connection with the meeting.

New Management and Board of Directors

Following completion of the Corporate Transaction, the Board and Management of Paris will be reconstituted to include the following individuals: President, CEO and Director - Dr. Richard A. Walls, Chief Operating Officer - Michael Boyd, Chief Financial Officer and Director - Jennifer Dugdale, General Counsel and Director - Ronald Kistic, Director - Wilfred Gobert, and Director - Kevin Olson.

Dr. Richard Walls has had a distinguished career in both the Canadian and US energy industry over the past 35 years. He has founded and/or led a number of companies including Pan East Petroleum Corp., Canadian Midstream Services Ltd., Fairborne Energy Ltd. and most recently C&C Energia Ltd.

Michael Boyd, P.Eng. has had extensive experience in the Canadian energy business over the past 24 years with Alberta Energy Corp. and subsequently Encana Corporation, the second largest natural gas producer in North America. Most recently, Mr. Boyd was the Vice President of the Bighorn Business Unit of Encana Corporation.

Jennifer Dugdale, C.A. has 16 years of experience, most recently as Corporate Controller at C&C Energia Ltd. Prior to that, she spent 10 years at ARC Financial Corp. as the Vice President and Controller.

Ronald Kistic, LL.B. has served in a legal capacity for several corporations over the past 20 years. In the past, he has served as Corporate Solicitor or Legal Counsel for Bow Valley Energy, Morrison Petroleum, Viridian - Agrium and Direct Energy Marketing-Centrica. Mr. Kistic was a Director as well as Vice President and Corporate Secretary of Dynegy Canada. Currently Mr. Kistic is General Counsel in Canada for EDF and EDF Trading, North America.

Wilfred Gobert had a 26 year career with Peters & Co. as a Managing Director and Principal. Mr. Gobert currently is a Senior Fellow with the Fraser Institute and serves as a director of Canadian Natural Resources Limited, Trilogy Energy Corp., Manito Energy Corp., Automated Rig Technologies Ltd, and Gluskin Sheff & Associates Inc.

Kevin D. Olson has 20 years energy industry experience, and currently is the President of Kyklopes Capital

Management Ltd., which manages energy sector focused private equity funds. He currently sits on the board of Raging River Exploration Inc. and Yoho Resources Inc. He was the President of EnergyOne Equity Inc. and EnergyX Equity Inc. from 2001 to 2010 and prior to that Vice President, Corporate Development at Northrock Resources Ltd. He was with FirstEnergy Capital Corp. as Vice President, Corporate Finance from 1993 to 2000.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities issued pursuant to the Corporate Transaction or the Private Placement described herein may not be offered or sold in the United States absent registration or applicable exemptions from the registration requirements.

ADVISORY: This press release contains forward looking statements. More particularly, this press release contains forward looking statements concerning the proposed Asset Acquisition (including the attributes of the assets being acquired pursuant thereto), Private Placement and Corporate Transaction, the reserves attributable to the assets to be acquired pursuant to the Asset Acquisition, the anticipated closing date of the Corporate Transaction, the shareholders' meeting expected to be held to approve the name change and consolidation and the anticipated board and management of Paris following the Corporate Transaction. Although Paris and MAPAN believes that the expectations reflected in these forward looking statements are reasonable, undue reliance should not be placed on them because neither Paris nor MAPAN can give assurances that they will prove to be correct. Since forward looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. The closing of the Asset Acquisition, Private Placement and/or Corporation Transaction could be delayed if any of the parties thereto is not able to obtain the necessary regulatory and stock exchange approvals on the timelines it has planned. One or more of the Asset Acquisition, Private Placement and Corporate Transaction may not be completed at all if these approvals are not obtained or some other condition to closing is not satisfied. Accordingly, there is a risk that the Asset Acquisition, Private Placement and/or Corporation Transaction will not be completed within the anticipated time or at all.

Other risks include risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets and other economic and industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling services, incorrect assessment of value of acquisitions and failure to realize the benefits therefrom, delays resulting from or inability to obtain required regulatory approvals, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources and economic or industry condition changes. Actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Paris and MAPAN will derive therefrom. Additional information on these and other factors that could affect Paris and MAPAN are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). The forward looking statements contained in this press release are made as of the date hereof and neither Paris nor MAPAN undertakes any 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.

Barrels of Oil Equivalent: Disclosure provided herein in respect of barrels of oil equivalent (BOE) 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 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.

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

NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE U.S.

Contact

[Mapan Energy Ltd.](#)

Richard A. Walls, President & CEO
403-536-5771

rwalls@mapanenergy.com

Jennifer Dugdale, Chief Financial Officer
403-536-5773
jdugdale@mapanenergy.com

Ron Kistic, VP & General Counsel
403-536-5777
rkistic@mapanenergy.com

Dieser Artikel stammt von [Rohstoff-Welt.de](https://www.rohstoff-welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/181775--Paris-Energy-and-Mapan-Energy-Announce-Corporate-Transaction-and-Related-Asset-Acquisition-Financing-and->

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).