

# Petro One Energy Corp. Private Placements Closed / Preparations for Drilling Commenced

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VANCOUVER, Oct 8, 2014 - [Petro One Energy Corp.](#) (TSX VENTURE:POP) is pleased to report that it has closed its non-brokered private placements announced on July 28, 2014 ("PP#1") and August 5, 2014 ("PP#2"). On closing, on October 7, 2014, the Company issued a total of 13,043,371 units (each a "Unit") at the price of \$0.25 per Unit to raise gross proceeds of \$3,260,842.75. Each Unit was comprised of one common share and one share purchase warrant entitling the holder to purchase one additional common share at the price of \$0.375 until October 7, 2016, subject to acceleration at the Company's option if its shares close at \$2.00 or higher for ten (10) consecutive trading days at any time after four months after Closing.

The Company is also pleased to report that it has received written confirmation from Korea Myanmar Development Company Ltd. ("KMDC") that it remains committed to meeting its obligation to fund a total of \$18,000,000 pursuant to the July 25, 2014 Earning and Joint Venture Agreement. Although it did not receive the full \$2,000,000 which was due on October 7, 2014 pursuant to its agreement with KMDC, Petro One did receive written confirmation from KMDC that it intends to wire the balance of the funds owing to fulfill its contractual obligations in respect of PP#1 within the next 14 days, and that it intends to fulfill the balance of its \$18,000,000 funding obligation on or before November 5, 2014.

To evidence KMDC's good faith, and as financial confirmation of its intention to meet that commitment, KMDC wired a further \$100,000 towards PP#1 on October 7th. Accordingly, while there can be no assurance that KMDC will meet its remaining obligations, KMDC has provided tangible financial evidence of its serious intentions and the Company has determined it to be in the best interests of the Company and its shareholders to afford KMDC a short additional period of time to fulfill its financial obligation in respect of PP#1. KMDC's further contractual obligation to fund the \$14,000,000 drilling program does not fall due until November 7, 2014.

The difference between the amount raised pursuant to PP#1 and PP#2 and the \$6,000,000 which would have been available to the Company had it received the final \$2,000,000 for which KMDC was responsible is due to the withdrawal of certain subscribers who participated on the understanding that KMDC would meet its commitment for \$2,000,000 by October 7, 2014. KMDC has acknowledged in writing its responsibility for the entire shortfall on PP#1. The Company plans to review the potential for a further financing at the same price when it has confirmed receipt of additional funds from KMDC. Any such financing will be subject to acceptance by the TSX Venture Exchange.

Proceeds from the financing will be used to fund expenses associated with the development of the Company's oil and gas properties, including drilling, completing, equipping and bringing into production oil wells, and for general working capital. Foremost among those projects and currently in the advanced planning stage are drilling a horizontal earning well near Milton, in western Saskatchewan, and a production test on the previously drilled Well SR-1 at South Reston, Manitoba. In that regard, the Company is pleased to report that it has secured an extension of the time permitted to spud a well on two sections of land from October 31, 2014 to February 28, 2015, as required to earn a 100% interest in those sections pursuant to a Seismic Option & Farmout Agreement dated April 23, 2012. Those lands are contiguous with the Company's existing J5 Milton lands (two sections), which have current Viking production, and are considered to have strong upper Viking potential.

As reported in the Company's May 12, 2014 news release, McDaniel and Associates Consultants Ltd. has provided an NI 51-101 prospective resource estimate of 2.48 MMbbl of recoverable oil high case (P90), 1.80 MMbbl bestcase (P50) and 1.125 MMbbl low case (P10) on its J5 Milton property, based on 45 horizontal drilling locations in the Viking. This is in addition to 124,800 bbl of proved plus probable reserves that were reported in the Company's May 8, 2014 news release, which included the following summary of the project by the Company's President, Peter Bryant:

"We are very pleased to receive this evaluation of recoverable prospective resources in addition to the reserves on our Milton property. Recent horizontal drilling in the newly discovered Marengo field 3.2 kilometres south of Petro One's J5 property has a 100% success rate, with three month initial production ranging up to 75.5 bopd, and averaging 56 bopd, and licenses for 13 new horizontal wells have recently been issued. McDaniel has identified 45 horizontal drill locations in 10 metre-thick Viking sand with strong oil

show confirmed in core, and this bodes well for future production. Petro One's Milton property covers more than 2500 acres, and we look forward to developing this asset with the drill bit."

The Company is in the process of obtaining the necessary permits, licenses and securing a drilling rig for the planned drilling at J5 Milton, and should be in a position to spud the earning well on the contiguous property on or before October 31. If the Company is not able to spud the well by then, the Company must pay \$50,000 to the property owner as an advance against the 6% gross overriding royalty ultimately payable on production from the property and will have until February 28, 2015 to spud the well.

At South Reston, Manitoba, the Company plans to carry out a production test on the previously drilled Well SR-1 to test the economic potential of the Lodgepole formation. As reported in the Company's February 24, 2013 news release, the SR-1 vertical wildcat well drilled pursuant to the Company's joint venture with [GoldStrike Resources Ltd.](#) (November 26, 2013 news release) encountered a large Waulsortian mound with a strong oil show in a 20 metre interval at the top of the Mississippian Lodgepole formation, which was the targeted formation. Cuttings from 790 to 810 metres drill depth had medium brown oil stain, vivid fluorescence and fluorescent cut, and emitted a strong petroliferous odor during sample wash. Parameters calculated by an independent petrophysicist for what he has indicated to be a newly discovered reservoir are 17 metres of indicated net pay, 10.34 per cent porosity, 50.89 per cent water saturation and 0.63 mD permeability.

Due to the low permeability of the zone, Petro One's consulting geologists, engineers and petrophysicist have suggested that the Company run a production test and that, assuming success, that horizontal drilling will most likely be necessary to recover oil from the zone encountered. The J4 South Reston property has up to 17 net horizontal drill locations.

The Company has agreed to pay to Aberdeen Gould Capital Markets Ltd. and its selling group, in the aggregate, cash finders' fees totaling \$256,867.42, which is equal to 8% of the gross proceeds from a portion of the offerings. In addition, the Company has issued 1,027,470 non-transferable finder's warrants, which is equal to 8% of a portion of the Units issued by the Company. Each finder's warrant will be exercisable to purchase one share at the price of \$0.375 until October 7, 2016, subject to acceleration at the Company's option if its shares close at \$2.00 or higher for ten (10) consecutive trading days at any time after four months after Closing. All shares and warrants issued pursuant to the offering are subject to a four-month hold period expiring at midnight on February 7, 2015. Any shares issued pursuant to the exercise of warrants or finders' warrants will also be subject to a four-month hold period expiring at midnight on February 7, 2015.

The Company is pleased to have completed this financing, wishes to thank the investors who have supported it and looks forward to continuing to develop its oil properties. The Company will report on further developments as they occur.

ON BEHALF OF THE BOARD

"Peter Bryant"  
President & Director

### **Forward-Looking Statements**

*Certain statements contained herein constitute forward-looking statements or information (collectively "forward-looking statements") within the meaning of applicable securities legislation, including, but not limited to management's assessment of future plans and operations, including: drilling plans and potential locations; expected production levels; development plans; reserves growth; production and operating sales and expenses; reservoir characteristics; the results of applying certain operational development techniques; certain economic factors; and capital expenditures.*

*Forward looking statements are typically identified by words such as "anticipate", "estimate", "expect", "forecast", "may", "will", "project" and similar words suggesting future events or performance or may be identified by reference to a future date. In addition, statements relating to oil and gas reserves and resources are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves or resources described, as the case may be, exist in the quantities predicted or estimated and can be profitably produced in the future. With respect to forward looking statements herein, the Company has made assumptions regarding, among other things; future capital expenditure levels; future oil and natural gas prices; ability to obtain equipment and services in a timely manner to carry out development activities; ability to market oil and natural gas successfully to current and new customers; the ability to obtain financing on acceptable terms; and the ability to add production and*

*reserves through development and exploitation activities. Although the Company believes that the expectations reflected in the forward-looking statements contained herein, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements included herein, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve numerous risks and uncertainties that contribute to the possibility that the forward-looking statements will not occur, which may cause the Company's actual performance and financial results in future periods to differ materially from any estimates or projections. The forward-looking statements contained herein are made as of the date hereof. The Company does not undertake any obligation to, nor does it intend to, publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained herein are expressly qualified by this cautionary statement. In addition, readers are cautioned that historical results are not necessarily indicative of future performance.*

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