

# Mobius Resources Inc. Announces Proposed Business Combination with Sintana Energy Inc.

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Calgary, Alberta (FSCwire) - [Mobius Resources Inc.](#) (formerly Zodiac Exploration Inc.) (Mobius; or the Company;) (TSX-V:MBS) is pleased to announce that it has entered into a definitive agreement dated as of May 13, 2015 (the Master Agreement;) providing for a business combination (the Business Combination;) with [Sintana Energy Inc.](#) (Sintana;) (TSX-V: SNN). Sintana is engaged in the acquisition, exploration and development of oil and gas properties in Colombia's Magdalena Basin.

## Business Combination Highlights

Upon successful close of the Business Combination:

- Sintana shareholders will receive 0.26316 common shares of Mobius (Mobius Shares;) for each common share of Sintana (Sintana Shares;) held (equivalent to 3.8 Sintana Shares per Mobius Share).
- Mobius shareholders will be provided with exposure to significant near-term exploration prospects, including Sintana's interest in VMM-37 on which an earning well was recently spudded by ExxonMobil.
- The combined entity will have greater financial flexibility to see these exploration activities through to fruition.
- The combined entity will capitalize on synergies and reduce overhead costs through headcount and corporate cost reductions.

Lee A. Pettigrew, President and Chief Executive Officer of Mobius stated, the Business Combination is a win-win for both Mobius and Sintana shareholders. I believe that Mobius has not been appropriately valued in the market given its cash position and exposure to the Duvernay. Likewise, Sintana has not been given due credit for its exciting prospect inventory. The proposed Business Combination leverages Mobius' cash into an exciting opportunity set, including the VMM-37 prospect on which the first of two earning wells have been spudded. The Business Combination gives the combined entity the financial staying power to see through a rich opportunity set without the need to access the capital markets.

The boards of directors of Mobius and Sintana have approved the Master Agreement. Officers and directors of Mobius and Sintana have signed lock-up agreements in support of the Business Combination.

## Overview of VMM-37

The VMM-37 Block consists of 43,158 gross acres in the Middle Magdalena Valley with exposure to conventional and unconventional reservoir potential. Sintana announced a farmout agreement with ExxonMobil in November 2012 whereby ExxonMobil will pay 100% of the cost to drill two wells and one horizontal leg in order to earn a 70% interest in the unconventional formations in VMM-37. ExxonMobil will have an option to proceed to the development phase whereby it will pay 100% of all additional costs to a maximum of \$45 million. Upon completing the earning wells, Sintana will retain a 100% interest in the conventional formations (to the base of the Umir Formation) and a 30% interest in the unconventional formations (below the base of the Umir Formation).

On April 30, 2015 Sintana announced that it received notice that ExxonMobil commenced drilling operations for the Manati Blanco-1 well (the first of the earning wells).

## Overview of VMM-4

The VMM-4 Block consists of 154,904 gross acres in the Middle Magdalena Valley with exposure to conventional and unconventional reservoir potential.

Sintana has a 15% participation interest in VMM-4 and is 100% carried in two wells scheduled to be drilled back-to-back on the block commencing in the fourth quarter of 2015.

For further details, please refer to the press release of Sintana dated April 30, 2015 and the management's discussion and analysis of Sintana for the fiscal year ended December 31, 2014, each available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Business Combination Detail**

The Business Combination will be structured in the form of a three-cornered amalgamation to be effected by way of a plan of arrangement, pursuant to which Sintana will amalgamate with a wholly-owned subsidiary of Mobius, and all of the issued and outstanding Sintana Shares will be exchanged for 0.26316 Mobius Shares for each Sintana Share so held (the "Exchange Ratio"). Also in connection with the Business Combination, (i) each outstanding share purchase warrant of Sintana (each, a "Sintana Warrant") shall become exercisable to acquire Mobius Shares in lieu of Sintana Shares; and (ii) each stock option of Sintana shall be exchanged for an equivalent stock option of Mobius (each a "Replacement Option"), in each case subject to adjustment in number and exercise price to give effect to the Exchange Ratio. Each stock option of Mobius outstanding immediately prior to the effective date of the Business Combination, whether or not vested, shall become vested and, subject to the receipt of all applicable shareholder and regulatory approvals, shall remain outstanding until the earlier of: (A) the original expiration date thereof; and (B) the date that is the later of: (I) December 31, 2016, and (II) the latest date provided for pursuant to the Mobius stock option plan.

Mobius and Sintana are arm's length parties, and there are no current non-arm's length parties of Mobius which are insiders of Sintana, other than Mr. Douglas Manner who serves as a director of Mobius and as a director and executive officer of Sintana. Mr. Douglas Manner has abstained from voting on board decisions with respect to the Business Combination. There are currently no control persons; (as defined by the applicable regulations of the TSX Venture Exchange ("TSXV")) of Sintana.

Authorization to proceed with the Business Combination will require approval, by shareholders of Mobius and Sintana. Mobius will seek such approval at its upcoming annual shareholder meeting. Substantial additional information regarding the details of the proposed Business Combination will be included in the management information circular to be prepared in connection with the Business Combination. The Business Combination is expected to close shortly after holding such meeting. Mobius will also seek shareholder approval to change its name to [Sintana Energy Inc.](#) or such other name as may be designated by Sintana and which is acceptable to the applicable regulatory authorities upon the closing of the Business Combination.

The Business Combination is conditional upon the completion of the issuance by Sintana of secured convertible debentures ("Convertible Debentures") to Mobius in an aggregate principal amount of \$1,000,000 (the "Convertible Debenture Offering"). The Convertible Debentures shall bear a one year term and be subject to a 5% interest rate, accruing annually, and shall be convertible at the option of Mobius into Sintana Shares at any time following the termination of the Master Agreement until maturity, at a conversion price equal to the minimum price allowable by the TSXV. In addition, Sintana may complete an additional private placement of securities prior to the completion of the Business Combination to raise gross proceeds of up to \$2,000,000, upon terms and conditions yet to be determined (the "Private Placement").

It is anticipated that immediately following the closing of the Business Combination (assuming that there are no changes to the outstanding common shares or convertible securities of either company, and without giving effect to the Private Placement or Convertible Debenture Offering), an aggregate of approximately 116,866,713 Mobius Shares will be issued and outstanding, of which it is anticipated that 88,427,905 Mobius Shares will be held by former Sintana shareholders (representing 75.7% of the Mobius Shares), and 28,438,808 Mobius Shares will be held by existing Mobius shareholders (representing 24.3% of the Mobius Shares). Furthermore, it is anticipated that no Mobius Shares will be reserved for issuance pursuant to outstanding convertible securities upon the closing of the Business Combination, other than up to 3,621,631 Mobius Shares issuable upon exercise of the Sintana Warrants, up to 5,419,780 Mobius Shares issuable upon exercise of the Replacement Options, up to 2,274,956 Mobius Shares issuable upon exercise of currently issued and outstanding share purchase warrants and stock options of Mobius, and any additional Mobius Shares issuable in connection with the Private Placement. Based on the current shareholdings and present knowledge of Mobius, it is anticipated that following the closing of the Business Combination, no person or company will beneficially own, directly or indirectly, or control or direct more than 10% of the issued and outstanding Mobius Shares.

Following the closing of the Business Combination, it is proposed that the board of directors of Mobius shall

be reconstituted to be comprised of five members, of which four such members shall be designated by Sintana and one such member shall be designated by Mobius. Mr. Lee Pettigrew, a director and officer of Mobius, shall be appointed as an employee or consultant of Mobius on a post-closing basis and each of the senior officers of Sintana shall be appointed as senior officers of Mobius, each upon substantially the same terms and conditions as their current employment with Sintana. This board and management composition has been structured so as to integrate the expertise of experienced oil and gas executives to manage the resulting company's consolidated oil and gas assets.

The Master Agreement contains customary terms and conditions for a transaction of this nature, including: representations and warranties of Mobius and Sintana and covenants applicable to each such entity until closing of the Business Combination regarding their respective businesses and affairs; a prohibition upon both Mobius and Sintana from soliciting or initiating any discussion concerning any other business combination or similar transaction prior to the completion or termination of the Business Combination; the right of Mobius and Sintana to match any unsolicited superior proposal received by the other party; and a reciprocal termination fee of \$250,000 payable to either Mobius or Sintana, as the case may be, in certain circumstances. Complete details of the terms of the Business Combination are set out in the Master Agreement, which will be filed by Mobius on SEDAR and will be available for viewing under Mobius' profile at [www.sedar.com](http://www.sedar.com).

Completion of the Business Combination is subject to a number of conditions, including the receipt of all applicable approvals, including without limitation the approval by the TSXV and the requisite majority approval of shareholders of each of Mobius and Sintana. The Business Combination cannot close until the approval of shareholders of both Mobius and Sintana and all required regulatory approvals are obtained. There can be no assurance that the Business Combination will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the Business Combination, any information released or received with respect to the proposed Business Combination may not be accurate or complete and should not be relied upon. Trading in the securities of Mobius should be considered highly speculative. The TSXV has in no way passed upon the merits of the proposed Business Combination and has neither approved nor disapproved the contents of this press release.

Mr. Jason Bednar has resigned from the board of directors of Mobius effective as of the date hereof due to a potential conflict of interest related to his role with another corporation with interests in Colombia. Mr. Bednar abstained from the vote approving the Master Agreement. The board of directors of Mobius wishes to thank Mr. Bednar for his service.

## **About Mobius**

Mobius is an Oil & Gas Exploration company with headquarters in Calgary, Alberta. Mobius' core assets are located in the Duvernay and Nordegg light oil plays in Alberta where the company holds approximately 61,000 net acres.

## **For more information, please contact:**

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## ***Forward-Looking Statements***

*This news release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "might", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information and/or statements. Forward-looking statements and/or information are based on a number of material factors, expectations and/or assumptions of Mobius which have been used to develop such statements and/or information but which may prove to be incorrect. Although Mobius believes that the*

*expectations reflected in such forward-looking statements and/or information are reasonable, undue reliance should not be placed on forward-looking statements as Mobius can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: that the Business Combination will be effected as currently proposed; that all requisite shareholder, regulatory and third party consents will be obtained in connection therewith in form and substance acceptable to each of Mobius and Sintana; the anticipated timing of the Business Combination; the anticipated benefits of the Business Combination; and Sintana's operational and expenditure plans upon completion of the Business Combination and the costs thereof. The forward-looking information and statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such information and/or statements, including the assumptions made in respect thereof, involve known and unknown risks, uncertainties and other factors that may cause actual results and/or events to differ materially from those anticipated in such forward-looking information and/or statements including, without limitation: risks associated with the failure to complete the Business Combination as currently proposed or at all; the combined entity will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; and those risks identified in each of Mobius; and Sintana's current management's discussion and analysis. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Mobius does not undertake any obligation to publicly update and/or revise any of the included forward-looking statements, whether as a result of additional information, future events and/or otherwise, except as may be required by applicable securities laws.*

*The information concerning Sintana contained in this news release has been provided by Sintana. Although Mobius has no knowledge that would indicate that any of such information is untrue or incomplete, Mobius does not assume any responsibility for the accuracy or completeness of such information or the failure by Sintana to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to Mobius.*

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