

Legacy Oil + Gas Inc. Announces Business Combination With Crescent Point Energy Corp.

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CALGARY, ALBERTA -- (Marketwired - May 26, 2015) - [Legacy Oil + Gas Inc.](#) (TSX:LEG) ("Legacy" or the "Company") is pleased to announce that it has entered into an arrangement agreement (the "Arrangement Agreement") with [Crescent Point Energy Corp.](#) ("Crescent Point"), pursuant to which Crescent Point has agreed to acquire all of the issued and outstanding common shares of Legacy ("Legacy Shares") on the basis of 0.095 of a common share of Crescent Point ("Crescent Point Shares") for each Legacy Share held (the "Transaction").

The consideration offered under the Transaction reflects a value of approximately \$2.85 per Legacy Share based on Crescent Point's closing price of \$30.00 on May 25, 2015, representing a 4.6% premium over the 30 trading day volume weighted average trading price of the Legacy Shares and a 24.5% premium over the 60 trading day volume weighted average trading price of the Legacy Shares. The Transaction implies a value of approximately \$1.53 billion for Legacy after taking into account the assumption of Legacy's net debt, the payment of transaction costs and the post-closing payout of Legacy's senior unsecured notes. The Company's current production is approximately 22,000 Boe per day and independently evaluated proven plus probable reserves as of December 31, 2014 were 154.1 MMBoe.

Background

Since its inception in July 2009, Legacy has assembled and de-risked an enviable and difficult to replicate suite of high quality, light oil assets and production with an associated significant development drilling inventory and waterflood potential. Legacy has been a leader and innovator in tight oil development, increasing production rates and recoveries and reducing costs across its asset base. The Company's conventional and resource plays have provided a strong foundation for Legacy's demonstrated reserves, production and cash flow per share growth over the past five years.

One of the Legacy's significant achievements has been the SE Saskatchewan Midale resource play. A pioneer in the origination, evolution and consolidation of this exciting, highly economic light oil resource play, Legacy dominates the Midale resource play from a technical expertise, production and upside exposure perspective. Legacy controls more than 200 net sections of land in this play and has made a significant investment in extensive gathering and processing infrastructure.

With the precipitous drop in oil prices beginning in July 2014, Legacy's valuation has come under pressure. The Company's financial leverage, which was improving in the first half of 2014, also began to erode, putting additional pressure on Legacy's share price. In response to the market conditions, Legacy's Board of Directors initiated a comprehensive process in February 2015, with the assistance of co-financial advisors FirstEnergy Capital Corp. and GMP Securities L.P., to evaluate asset sales, business combinations and other opportunities designed to unlock shareholder value.

The process culminated with the Board of Directors recommending the Transaction with Crescent Point, which was determined to offer Legacy's shareholders the greatest opportunity to recognize the long term value inherent in Legacy's assets through a better capitalized combined entity, with a well-funded capital plan, stronger balance sheet and reliable dividend.

Strategic Rationale

Legacy's strategy of controlling large light oil in-place pools with significant development drilling inventory and waterflood potential fits well with Crescent Point's strategy. Both companies have been leaders in tight oil development and share a common resource development philosophy regarding both drilling and waterflood perspectives.

Legacy's Board of Directors believe that the Company's high quality asset base can be more effectively developed in the larger, better capitalized combined entity, on a risk adjusted basis. Legacy's SE Saskatchewan production and infrastructure complement Crescent Point's assets in the area, while the Transaction provides Legacy shareholders exposure to exciting development upside in Crescent Point's

Shaunavon, Bakken, Torquay and Uinta Basin assets.

The combined entity will have a strong balance sheet that is bolstered by Crescent Point's comprehensive three and a half year hedging program. Furthermore, through Crescent Point, Legacy shareholders will receive a monthly dividend that has not been reduced since its inception in 2003.

The Arrangement Agreement

The Arrangement Agreement provides for the implementation of the Transaction by means of a plan of arrangement under the Business Corporations Act (Alberta). The Arrangement Agreement contains customary representations and warranties of each party, non-solicitation covenants by Legacy and right to match provisions in favour of Crescent Point. Pursuant to the Arrangement Agreement, a non-completion fee of \$45 million will be payable by Legacy in certain circumstances, including if Legacy enters into an agreement with respect to a superior proposal or if the Board of Directors of Legacy withdraws or modifies its recommendation with respect to the Transaction.

The Transaction is subject to customary conditions for a transaction of this nature, which include court and regulatory approvals (including the Toronto Stock Exchange and the New York Stock Exchange), and the approval of 66 2/3 percent of the votes cast by Legacy shareholders represented in person or by proxy at a meeting of Legacy shareholders to be called to consider the Transaction (the "Meeting") and a majority of the votes cast by Legacy shareholders, represented in person or by proxy at the Meeting, after excluding the votes cast by those persons whose votes may not be included in determining minority approval of a business combination pursuant to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transaction.

An information circular regarding the Transaction and the annual business of Legacy is expected to be mailed to shareholders of Legacy in early June 2015 with the Meeting expected to take place on June 30, 2015. Closing of the Transaction is expected to occur shortly thereafter.

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

Financial Advisors and Fairness Opinions

FirstEnergy Capital Corp. and GMP Securities L.P. are acting as co-financial advisors to the Board of Directors of Legacy. TD Securities Inc. is acting as financial advisor to the independent committee of the Board of Directors of Legacy. Each advisor has provided its verbal opinion that, subject to their review of the final form of the documents affecting the Transaction, the consideration to be received by Legacy shareholders pursuant to the terms of the Transaction is fair, from a financial point of view, to the Legacy shareholders (collectively, the "Fairness Opinions").

Recommendation of the Board of Directors

After considering, among other things, the Fairness Opinions, the recommendation of the independent committee of the Board of Directors of Legacy and other relevant matters, the Board of Directors of Legacy has unanimously determined that the Transaction is in the best interests of Legacy and unanimously recommends that the Legacy shareholders vote in favour of the Transaction.

All directors and officers of Legacy and certain funds managed by KERN Partners Ltd. have entered into voting support agreements with Crescent Point pursuant to which they have agreed, among other things, to vote their Legacy Shares in favour of the Transaction, subject to certain permitted exceptions.

Legacy is a Calgary, Alberta based company actively engaged in the business of oil and gas exploration, development, acquisition and production in the provinces of western Canada and in the State of North Dakota whose Legacy Shares are traded on the Toronto Stock Exchange under the trading symbol "LEG".

Caution Respecting Forward-Looking Information:

This press release contains certain forward-looking information and statements including but not limited to the proposed acquisition of Legacy by Crescent Point pursuant to a plan or arrangement, the mailing of the information circular regarding the Transaction, the date of the Meeting, the completion of the Transaction and the expected benefits of Transaction to Legacy shareholders. Forward-looking information typically

contains statements with words such as "intend", "target", "anticipate", "plan", "estimate", "expect", "potential", "could", "will", or similar words suggesting future outcomes. All of the forward-looking statements in this release are qualified by the assumptions that are stated or inherent in such forward-looking statements. Although Legacy believes these assumptions are reasonable, they are not exhaustive of the factors that may affect any of the forward-looking statements and the reader should not place undue reliance on these assumptions and such forward-looking statements. The key assumptions that have been made in connection with the forward-looking statements include: that the business of the Meeting concludes as anticipated; the timing and receipt of the necessary shareholder, regulatory, court and other approvals; and the timely satisfaction of all other conditions to the closing of the Transaction. Legacy believes the material factors, expectations and assumptions reflected in the forward-looking statements are reasonable, but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

The forward-looking statements are subject to known and unknown risks and uncertainties and other factors which may cause actual results and achievements to differ materially from those expressed or implied by such statements. Although Legacy believes the expectations conveyed by the forward-looking statements are reasonable based on the information available on the date of such forward-looking statements were made, no assurances can be given as to future results and achievements. There is no guarantee that the Transaction will be completed on the announced terms or at all. Undue reliance should not be placed on the forward-looking statements contained herein, which are made as of the date hereof and, except as required by law, Legacy undertakes no obligation to update publicly 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.

Reserves Data

Statements relating to "reserves" are also deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future. There are numerous uncertainties inherent in estimating quantities of crude oil, natural gas and NGL reserves and the future cash flows attributed to such reserves. The reserve information set forth herein are estimates only. In general, estimates of economically recoverable crude oil, natural gas and NGL reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially. For these reasons, estimates of the economically recoverable crude oil, NGL and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times, may vary. Legacy's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material. Readers should refer to Legacy's Annual Information form for the year ended December 31, 2014, which is available under the Company's profile at www.sedar.com, for more information.

Caution Respecting Boe:

Boe means barrel of oil equivalent. All Boe conversions in this report are derived by converting natural gas to oil equivalent at a ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent. Boe may be misleading, particularly if used in isolation. A Boe conversion rate of 1 Boe: 6 Mcf 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 of oil compared to natural gas based on currently prevailing prices is significantly different than the energy equivalency ratio of 1 Boe : 6 Mcf, utilizing a conversion ratio of 1 Boe : 6 Mcf may be misleading as an indication of value.

Contact

[Legacy Oil + Gas Inc.](#)

Trent J. Yanko, P.Eng., President + CEO
403.441.2017
403.441.2300

Legacy Oil + Gas Inc.
Curt W. Ziemer, CGA, Vice President Finance + CFO
403.441.2017

403.441.2300
www.legacyoilandgas.com

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