

Canamax Announces Closing of Strategic Greater Grimshaw Asset Acquisition and Continues Towards the Closing of Powder Mountain Arrangement

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CALGARY, July 15, 2015 - [Canamax Energy Ltd.](#) ("Canamax" or the "Company") (TSX VENTURE: CAC) is pleased to announce that today the Company has closed the previously announced acquisition of certain assets in Alberta (the "Asset Acquisition") from an intermediate oil and gas company. The acquired assets consist primarily of two producing properties (Grande Prairie and Grimshaw) located in northwest Alberta within the Company's Greater Grimshaw area.

Asset Acquisition

Total consideration paid for the acquired assets was \$24.3 million, comprised of the \$24.0 million purchase price plus estimated closing adjustments of \$0.3 million. A deposit of \$1.2 million was paid previously by Canamax to the seller, leaving a balance of \$23.1 million (before applicable taxes) that was paid on today's July 15th closing date. The effective date of the transaction was July 1, 2015. Based on field estimates for the first two weeks of July, net production from the acquired assets is approximately 750 boe/d (54% oil & NGL). The Grande Prairie and Grimshaw properties each have contiguous, substantially 100%-owned acreage and facilities with significant development potential for Montney oil.

For additional information in respect of the acquired assets, please see the news release of the Company dated June 1, 2015.

Subscription Receipt Financing

The Asset Acquisition was partially funded by net proceeds from an offering of subscription receipts (the "Subscription Receipts") that was completed as part of the previously announced private placement that closed on July 9, 2015. Pursuant to that offering, the Company issued 21,724,268 Subscription Receipts at a price of \$0.60 per Subscription Receipt for total gross proceeds of approximately \$13.0 million (estimated net proceeds of \$12.1 million).

In accordance with the terms of the Subscription Receipts, each holder will be entitled to receive, without payment of additional consideration or further action on the part of the holder and subject to adjustment in certain circumstances, one common share of the Company (the "Qualified Share") for each Subscription Receipt held upon the earlier of: (a) November 10, 2015, being the date that is four months and a day following the date of issuance of the Subscription Receipts; and (b) the day on which a receipt (the "Final Receipt") is issued by the Alberta Securities Commission, as principal regulator, for a final short form prospectus qualifying the distribution of the Qualified Shares in each of the provinces of Canada in which Subscription Receipts were sold (the "Qualifying Provinces").

The Company has agreed to use its reasonable commercial efforts to file the final short form prospectus qualifying the distribution of the Qualified Shares in each of the Qualifying Provinces and obtain the Final Receipt within 30 days from the closing date of the Asset Acquisition. On July 13, 2015, the Company filed the preliminary short form prospectus qualifying the distribution of the Qualified Shares in each of the Qualifying Provinces.

Increased Credit Facilities

As previously announced, Canamax's lender recently increased the Company's operating loan facility from \$10 million to \$21 million in conjunction with completion of the Asset Acquisition. As a result, Canamax funded the remaining portion of the Asset Acquisition purchase price (after application of the net proceeds of the Subscription Receipts) with these facilities.

Powder Mountain Arrangement

Canamax is proceeding with the previously announced arrangement (the "Powder Arrangement") with [Powder Mountain Energy Ltd.](#) ("Powder Mountain"), pursuant to which the Company will acquire all of the issued and outstanding shares of Powder Mountain. With today's closing of the Asset Acquisition, combined with the completion of the Subscription Receipts offering and the previously announced private placement of flow-through shares (aggregate proceeds raised in these two offerings of \$15.4 million), Canamax has satisfied two significant conditions required for the completion of the Powder Arrangement. The Powder Arrangement is subject to certain other closing conditions, including approval by the Powder Mountain shareholders, receipt of the final court order approving the Powder Arrangement, receipt of the final approval of the TSX Venture Exchange and other customary closing conditions. As previously disclosed, officers, directors and certain shareholders of Powder Mountain representing 32% of the issued and outstanding common shares of Powder Mountain have entered into voting support agreements to support and vote for the Powder Arrangement.

The meeting of the shareholders of Powder Mountain to approve the Powder Arrangement has been scheduled for July 29, 2015. Closing of the Powder Arrangement is expected to occur on or about July 30, 2015 following receipt of final court approval.

About Canamax

Canamax is a Montney oil focused junior oil and gas company with its core assets located in the Greater Grimshaw area of Northwestern Alberta.

Caution Respecting BOE

The term barrels of oil equivalent ("BOE") may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 Bbl and an Mcfe conversion ratio of 1 Bbl:6 Mcf are based on an approximate energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Since the value ratio based on the current price of crude oil compared to natural gas is significantly different from the energy equivalency conversion ratio of 6:1, utilizing a conversion based on a 6:1 ratio is misleading as an indication of value.

Forward-Looking and Other Cautionary Statements

Certain information included in this press release constitutes forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project", "forecast", "should", "will" or similar words suggesting future outcomes or statements regarding an outlook.

Forward-looking information in this press release may include, but is not limited to, the filing of the final prospectus to qualify the Qualified Shares and the issuance of the Qualified Shares, the satisfaction of closing conditions for the Powder Arrangement and the closing of the Powder Arrangement. Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect. Forward-looking statements are subject to a wide range of risks and uncertainties, and although Canamax believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized.

Forward-looking statements necessarily involve known and unknown risks and uncertainties, including, without limitation, Canamax's ability to achieve financial and other benefits resulting from the successful completion of the Asset Acquisition; the risks associated with oil and gas production; marketing and transportation; loss of markets; volatility of commodity prices; currency and interest rate fluctuations; imprecision of reserve estimates; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions; inability to access sufficient capital from internal and external sources; changes in legislation, including but not limited to income tax, environmental laws and regulatory matters. Readers are cautioned that the foregoing list of factors is not exhaustive. Please refer to Canamax's Amended Annual Information Form ("AIF") dated June 22, 2015 for additional risk factors relating to Canamax. The AIF is available for viewing under the Company's profile on www.sedar.com.

The forward looking statements contained in this news release are made as of the date of this news release, and Canamax does not undertake any obligation to update publicly or to revise any of the included

forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by securities law.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold within the United States or to United States Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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

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