

Seven Generations Energy Ltd. Closes \$748 Million Equity Financing

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CALGARY, July 26, 2016 - [Seven Generations Energy Ltd.](#) (TSX:VII) (Seven Generations or 7G) has closed its previously announced bought-deal equity financing raising gross proceeds of \$747,666,750 by issuing 30,705,000 subscription receipts for \$24.35 each, which included 4,005,000 subscription receipts issued pursuant to the fully exercised over-allotment option granted to the syndicate of underwriters.

Each subscription receipt entitles the holder thereof to receive, without payment of additional consideration or further action, one common share of 7G upon the closing of the company's previously announced acquisition of Montney assets (the Acquisition) from [Paramount Resources Ltd.](#) (Paramount). The Acquisition, announced July 6, 2016, is expected to close in August 2016 and is subject to Paramount shareholder approval, approval under the Competition Act and other customary closing conditions. Seven Generations will fund the Acquisition with a combination of \$475 million of cash, 33.5 million 7G common shares issued from treasury to Paramount and the assumption of Paramount's US\$450 million (approximately C\$584 million) 6.875% notes maturing in 2023.

The gross proceeds from the subscription receipt offering have been deposited in escrow, pending closing of the Acquisition. Assuming the Acquisition closes on or before October 31, 2016, the escrowed proceeds from the offering of subscription receipts will be released to 7G and used by 7G to fund the \$475 million cash portion of the Acquisition as well as provide funding for Seven Generations' ongoing capital investment program and general corporate purposes. If the Acquisition is not completed by October 31, 2016, or the agreement between 7G and Paramount in respect of the Acquisition is terminated at an earlier time, the gross proceeds and pro-rata share of interest earned on the escrowed proceeds will be paid to holders of the subscription receipts.

It is anticipated that the subscription receipts will be listed and posted for trading on the TSX under the symbol "VII.R" at the opening of markets today.

None of the subscription receipts, the common shares underlying the subscription receipts or the common shares that would be issued upon the closing of the Acquisition, have been and they will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and they may not be offered or sold in the United States absent registration in the United States or the availability of an exemption from such registration. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction.

This financing with a syndicate of underwriters was led by RBC Capital Markets, Peters & Co. Limited, and Credit Suisse Securities (Canada), Inc.

Seven Generations Energy

Seven Generations is a low-cost, high-growth Canadian natural gas developer generating long-life value from its liquids-rich Kakwa River Project, located about 100 kilometres south of its operations headquarters in Grande Prairie, Alberta. 7G's corporate headquarters are in Calgary and its shares trade on the TSX under the symbol VII.

Further information on Seven Generations is available on the company's website: www.7genergy.com.

Reader Advisory

This news release contains certain forward-looking information and statements that involves various risks, uncertainties and other factors. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "should", "believe", "plans", and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this news release contains forward-looking information and statements pertaining to the following: the completion of the Acquisition and the timing thereof; the issuance of common shares to holders of subscription receipts upon the closing of the Acquisition; the payment of the purchase consideration for the Acquisition, including the assumption by 7G of

Paramount's US\$450 million 6.875% notes maturing in 2023; the release of the proceeds of the offering from escrow upon the completion of the Acquisition; the use of the proceeds from the offering and the listing of the subscription receipts on the TSX.

With respect to forward-looking information contained in this news release, assumptions have been made regarding, among other things: satisfaction of the conditions to closing of the Acquisition; future oil, natural gas liquids and natural gas prices; 7G's ability to obtain qualified staff and equipment in a timely and cost efficient manner; 7G's ability to market production of oil, natural gas and natural gas liquids successfully to customers; 7G's future production levels; the applicability of technologies for 7G's reserves; future capital investments by 7G; future funds from operations from production; future sources of funding for 7G's capital program; 7G's future debt levels; geological and engineering estimates in respect of 7G's reserves and resources; the geography of the areas in which 7G is conducting exploration and development activities; the access, economic and physical limitations to which 7G may be subject from time to time; the impact of competition on 7G; and 7G's ability to obtain financing on acceptable terms.

Actual results could differ materially from those anticipated in the forward-looking information as a result of the inability to complete the Acquisition and the risks and risk factors that are set forth in 7G's Annual Information Form, dated March 8, 2016, which is available on SEDAR at www.sedar.com, including, but not limited to: volatility in market prices and demand for oil, natural gas liquids and natural gas and hedging activities related thereto; general economic, business and industry conditions; variance of 7G's actual capital costs, operating costs and economic returns from those anticipated; risks related to the exploration, development and production of oil and natural gas reserves and resources; negative public perception of oil sands development, oil and natural gas development and transportation, hydraulic fracturing and fossil fuels; actions by governmental authorities, including changes in government regulation, royalties and taxation; the management of 7G's growth; the availability, cost or shortage of rigs, equipment, raw materials, supplies or qualified personnel; the absence or loss of key employees; uncertainty associated with estimates of oil, natural gas liquids and natural gas reserves and resources and the variance of such estimates from actual future production; dependence upon compressors, gathering lines, pipelines and other facilities, certain of which 7G does not control; the ability to satisfy obligations under 7G's firm commitment transportation arrangements; uncertainties related to 7G's identified drilling locations; the concentration of 7G's assets in the Kakwa area; unforeseen title defects; Aboriginal claims; failure to accurately estimate abandonment and reclamation costs; changes in the interpretation and enforcement of applicable laws and regulations; terrorist attacks or armed conflicts; natural disasters; reassessment by taxing authorities of 7G's prior transactions and filings; variations in foreign exchange rates and interest rates; third-party credit risk including risk associated with counterparties in risk management activities related to commodity prices and foreign exchange rates; sufficiency of insurance policies; potential for litigation; variation in future calculations of certain financial measures; sufficiency of internal controls; impact of expansion into new activities on risk exposure; risks related to the senior unsecured notes and other indebtedness, including: potential inability to comply with the covenants in the credit agreement related to 7G's credit facilities and/or the covenants in the indentures in respect of 7G's senior secured notes; seasonality of 7G's activities and the Canadian oil and gas industry; weather related risks, fires and natural disasters, and extensive competition in 7G's industry.

The forward-looking information and statements contained in this news release speak only as of the date hereof, and 7G does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

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