

CALGARY, July 4, 2017 /CNW/ - (TSX:PMT) - [Perpetual Energy Inc.](#) ("Perpetual" or the "Company") is pleased to announce that the Company has entered into a new reserve-based credit facility agreement which increases the borrowing capacity available by 100% to \$40 million from the previous \$20 million. The increase is a result of Perpetual's improved funds flow performance driven by high graded operations and strong drilling results in the Company's East Edson focus area, coupled with financing initiatives completed in 2017 year to date and the early repayment of senior notes previously due in March 2018. Through the arrangements, the maturity date of the reserve-based credit facility has been extended from October 31, 2017 to May 31, 2019. The next semi-annual loan review is scheduled for November 30, 2017.

Perpetual is also pleased to announce that it has arranged for the refinancing of the \$36.5 million of margin loans secured by the Company's shares of [Tourmaline Oil Corp.](#) ("TOU Share Put Option Margin Loans") as they mature in August and November of 2017. The existing TOU Share Put Option Margin Loans will be repaid through a combination of a replacement, one year term, non-revolving loan equal to 40% of the value of Perpetual's 1,667,000 TOU share investment, equating to approximately \$18 million at the current TOU share price of \$27.88/share (the "Replacement TOU Share Margin Loan"), the final \$10.0 million drawdown on the Term Loan arranged during the first quarter of 2017, and additional borrowings under its reserve-based credit facility. The Replacement TOU Share Margin Loan has lower borrowing costs and increased repayment flexibility compared to the existing TOU Share Put Option Margin Loans.

The increased reserve-based credit facility and Replacement TOU Share Margin Loan, combined with forecast funds flow, will be used to continue to fund the Company's previously-announced growth-oriented capital program.

About Perpetual

Perpetual is an oil and natural gas exploration, production and marketing company headquartered in Calgary, Alberta. Perpetual operates a diversified asset portfolio, including liquids-rich natural gas assets in the deep basin of west central Alberta, heavy oil and shallow natural gas in eastern Alberta, with longer term opportunities through undeveloped oil sands leases in northern Alberta. Additional information on Perpetual can be accessed at www.sedar.com or from the Corporation's website at www.perpetualenergyinc.com.

The Toronto Stock Exchange has neither approved nor disapproved the information contained herein.

Forward-Looking Information

Certain information regarding Perpetual in this news release including management's assessment of future plans and operations may constitute forward-looking information or statements under applicable securities laws. The forward looking information includes, without limitation, anticipated amounts and allocation of capital spending; statements pertaining to adjusted funds flow levels, future development and capital efficiencies, completions and development activities; projected realized natural gas prices and adjusted funds flow; commodity prices and foreign exchange rates; and gas price management. Various assumptions were used in drawing the conclusions or making the forecasts and projections contained in the forward-looking information contained in this press release, which assumptions are based on management's analysis of historical trends, experience, current conditions and expected future developments pertaining to Perpetual and the industry in which it operates as well as certain assumptions regarding the matters outlined above. Forward-looking information is based on current expectations, estimates and projections that involve a number of risks, which could cause actual results to vary and in some instances to differ materially from those anticipated by Perpetual and described in the forward-looking information contained in this press release. Undue reliance should not be placed on forward-looking information, which is not a guarantee of performance and is subject to a number of risks or uncertainties, including without limitation those described under "Risk Factors" in Perpetual's MD&A for the year-ended December 31, 2016 and those included in other reports on file with Canadian securities regulatory authorities which may be accessed through the SEDAR website (www.sedar.com) and at Perpetual's website (www.perpetualenergyinc.com). Readers are cautioned that the foregoing list of risk factors is not exhaustive. Forward-looking information is based on the estimates and opinions of Perpetual's management at the time the information is released and Perpetual disclaims any intent or obligation to update publicly any such forward-looking information, whether as a result of new information, future events or otherwise, other than as expressly required by applicable securities law.

The forward-looking information and statements contained in this news release speak only as of the date of this news release and neither the Corporation nor any of its subsidiaries assumes any obligation to publicly update or revise them to reflect new events or circumstances, unless expressly required to do so by applicable securities laws.

SOURCE [Perpetual Energy Inc.](#)

Contact

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