

Pine Cliff Energy Ltd. Announces Borrowing Base Redetermination, Closing of a Private Placement and Increase and Extension of Insider Subordinated Debt

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CALGARY, July 13, 2018 - [Pine Cliff Energy Ltd.](#) ("Pine Cliff" or the "Company" or the "Company"; TSX:PNE) is pleased to announce that a banking syndicate of Canadian Financial Institutions (the "Syndicate") has completed the semi-annual borrowing base redetermination and has renewed the credit facility for a period of one year. In addition, Pine Cliff has closed a private placement of units ("Units") for gross proceeds of \$19.0 million (the "Private Placement") and increased and extended the subordinated debt with insiders of the Company totaling \$12.0 million (the "Insider Debt").

Borrowing Base Redetermination

The Company has entered into an Amended and Restated Credit Agreement with the Syndicate for an \$11.0 million revolving credit facility, consisting of a \$6.0 million revolving syndicated facility and a \$5.0 million revolving operating facility (the "Credit Facility"). The Credit Facility has a 364 day revolving period maturing July 27, 2019 and if it is not renewed, will convert to a 1 day term loan due on July 28, 2019. Borrowing under the Credit Facility bears interest at the Canadian prime rate plus 1.5% to 4.0%, or bankers' acceptance rates plus 2.5% to 5.0%, depending in each case on the ratio of consolidated debt to EBITDA, plus applicable standby fees. The next date for Pine Cliff's borrowing base redetermination will be November 30, 2018. Following the Private Placement and the increase in the Insider Debt, Pine Cliff is undrawn on the Credit Facility other than approximately \$2.0 million in letters of credit and has approximately \$5.0 million cash on hand.

Private Placement

In conjunction with the Credit Facility renewal, Pine Cliff completed a private placement of an aggregate 19,000 Units to Alberta Investment Management Corporation ("AIMCo"), on behalf of certain of its clients, at a price of \$1,000 per Unit for aggregate gross proceeds of \$19.0 million. Each Unit is comprised of: (i) one promissory note (a "Note") with a par value of \$1,000 per Note and bearing interest at 7.05% per annum, which is payable semi-annually; and (ii) 150 common share purchase warrants ("Warrants"). The proceeds from the Private Placement were used to pay down the bank indebtedness of the Company and to provide additional working capital.

The Notes mature on July 31, 2022 and all or a portion of the principal amount outstanding thereunder can be repaid without penalty after three years. Pine Cliff issued 2.85 million Warrants in connection with the Private Placement, with each Warrant entitling the holder to purchase one common share of Pine Cliff for \$0.51 until July 13, 2021, which reflects a 45% premium to the 10-day weighted average trading price of the common shares of the Company prior to the date of closing of the Private Placement.

Increase and Extension of Insider Subordinated Debt

The Company has also increased its Insider Debt by \$1.0 million and extended the term to September 30, 2020. The subordinated debentures now totaling \$12.0 million bear interest at 0.25% less than the monthly average effective interest rate paid to the Syndicate.

About Pine Cliff

Pine Cliff is a natural gas company that is focused on acquiring long life assets that are cash flow positive even in a low commodity price environment. Further information relating to Pine Cliff may be found on [www.sedar.com](#) as well as on Pine Cliff's website at [www.pinecliffenergy.com](#).

About Alberta Investment Management Corporation

Alberta Investment Management Corporation, AIMCo, is one of Canada's largest and most diversified high performing institutional investment managers with more than \$100 billion of assets under management.

AIMCo operates at arms-length from the Government of Alberta and invests globally on behalf of 32 Alberta-based pension, endowment and government funds, working closely with their clients to ensure investment strategies meet their clients' long-term return objectives. For more information on AIMCo please visit www.aimco.alberta.ca.

For further information, please contact:
Philip B. Hodge – President and CEO
Alan MacDonald – Interim CFO and Secretary
Telephone: (403) 269-2289
Fax: (403) 265-7488
Email: info@pinecliffenergy.com

Cautionary Statements

Certain statements contained in this news release include statements which contain words such as "anticipate", "could", "should", "expect", "seek", "may", "intend", "likely", "will", "believe" and similar expressions, statements relating to matters that are not historical facts, and such statements of our beliefs, intentions and expectations about development, results and events which will or may occur in the future, constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and are based on certain assumptions and analysis made by us derived from our experience and perceptions. In particular, this news release includes, but is not limited to: oil and natural gas prices; oil and gas supply and demand; expansion and other development trends of the oil and natural gas industry; business strategy and outlook; expansion and growth of our business and operations; maintenance of existing customer, supplier and partner relationships; supply channels; accounting policies; credit risks; break-even point; estimated approximate bank debt and estimated approximate total debt. The foregoing statements assume all the conditions, including applicable regulatory approvals and to completion of the Disposition will be satisfied. As such, many factors could cause the performance or achievement of Pine Cliff to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Because of the risks, uncertainties and assumptions contained herein, readers should not place undue reliance on these forward-looking statements.

All such forward-looking information is based on certain assumptions and analyses made by us in light of management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors believed to be appropriate in the circumstances. The risks, uncertainties, and assumptions are difficult to predict and may affect operations, and may include, without limitation: foreign exchange fluctuations; equipment and labour shortages and inflationary costs; general economic conditions; industry conditions; changes in applicable environmental, taxation and other laws and regulations as well as how such laws and regulations are interpreted and enforced; the ability of oil and natural gas companies to raise capital; the effect of weather conditions on operations and facilities; the existence of operating risks; volatility of oil and natural gas prices; oil and gas product supply and demand; risks inherent in the ability to generate sufficient cash flow from operations to meet current and future obligations; increased competition; stock market volatility; opportunities available to or pursued by Pine Cliff; and other factors, many of which are beyond the Company's control. The foregoing factors are not exhaustive.

Actual results, performance or achievements could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do, what benefits will be derived there from. Except as required by law, Pine Cliff disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Certain information contained herein is based on Pine Cliff internal estimates. Although Pine Cliff believes such information is accurate and reliable, at this time such information has not been verified by any independent sources and Pine Cliff does not make any representations as to the accuracy of such estimates.

The forward-looking information contained in this release is expressly qualified by this cautionary statement.

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