

Trinidad Drilling and Precision Drilling File Joint Information Circular; Trinidad Provides Impact of Combination on Balance Sheet

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CALGARY, Nov. 7, 2018 - [Trinidad Drilling Ltd.](#) (TSX: TDG) ("Trinidad" or "the Company") is pleased to announce that it has filed a joint management information circular and proxy statement (the "Circular") prepared together with [Precision Drilling Corp.](#) ("Precision") (TSX: PD; NYSE: PDS). The Circular was prepared for Trinidad and Precision's respective special securityholders' meetings to be held on December 11, 2018 in connection with previously announced strategic combination of Precision and Trinidad (the "Arrangement"). Pursuant to the Arrangement, Precision has agreed to acquire all of the issued and outstanding common shares of Trinidad on the basis of 0.445 common shares of Precision for each outstanding common share ("Trinidad Share") of Trinidad (the "Share Consideration").

Securityholders of Trinidad ("Trinidad Securityholders") and shareholders of Precision (the "Precision Shareholders") should receive these meeting materials by mail in advance of the Trinidad meeting of securityholders ("Trinidad Meeting"). A copy of the Circular is available for viewing on SEDAR under both Trinidad's profile and Precision's profile.

Your vote is important. Trinidad encourages the Trinidad Securityholders to read the meeting materials in detail and attend the Trinidad meeting. If you cannot attend the meeting in person, you can submit a proxy. Proxies from Trinidad Securityholders must be received by no later than 9:00 a.m. (Calgary time) on December 7, 2018.

Impact of the Arrangement on Trinidad's Balance Sheet

The Circular includes pro forma financial statements that estimate the financial statements of the combined entity, as if the Arrangement had occurred on June 30, 2018 (providing pro forma financial statements for a full year for 2017 and year to date at June 30, 2018). These pro forma statements include, among other adjustments, a reduction to the valuation of Trinidad's net assets based on the recent trading price of Precision Shares.

In Trinidad's third quarter 2018 financial results, expected to be released on Friday November 9, 2018, Trinidad will also be including an adjustment to the valuation of its net assets, as a result of the proposed combination with Precision.

The proposed Arrangement with Precision was structured as a share exchange to allow Trinidad shareholders to benefit from the long-term value creation of the combined company. The proposed Arrangement creates a unique, industry-leading, high performance driller with significant cash flow generation potential. Trinidad does not believe that current share prices for either Trinidad or Precision are reflective of the significant upside potential following the completion of the proposed Arrangement.

The value of Trinidad's assets is well supported by their current and future cash flow generating capacity; however, under International Financial Reporting Standards ("IFRS") Trinidad is required to record an adjustment, as a result of the combination with Precision. Under IFRS, despite the proposed Arrangement not being closed at September 30, 2018, Trinidad was required to value its net assets based on Precision's closing share price immediately before the proposed Arrangement. On October 4, 2018, the last trading day before the proposed Arrangement was announced, the closing price of Precision Shares was \$4.44, which equates to a conversion price of \$1.98 per Trinidad Share, based on the exchange ratio of 0.445. On September 30, 2018, there were approximately 273.5 million Trinidad Shares outstanding, equating to a total implied Share Consideration for IFRS purposes of approximately \$540 million, notwithstanding that this is not a sale of shares for cash.

As a result of this valuation, Trinidad's net assets were required to be adjusted, causing an impairment of \$566 million to be recorded at September 30, 2018. While this adjustment was necessary under IFRS accounting standards, it is a non-cash adjustment that calculates value based on share trading prices at a point in time, when share prices throughout the industry have dropped significantly and does not take into account the future cash flow generating capacity of the newly-combined entity.

The impairment included in Trinidad's third quarter 2018 results will differ from the reduction to net assets shown in the pro forma financial statements in the Circular, largely as a result of timing and future income tax treatment. A key difference between the third quarter 2018 report and the Circular is due to a different share price used to calculate the implied Share Consideration and the value of the net assets. Trinidad's third quarter 2018 financials value the net assets based on Precision's closing share price on October 4, 2018 of \$4.44, whereas the Circular uses the closing share price on November 1, 2018 of \$3.16. In addition, Trinidad's third quarter financials are at September 30, 2018 and include the impact of the Company's operations during the third quarter. By contrast, the pro forma financials included in the Circular are at June 30, 2018 and only include the Company's operations until the end of the second quarter of 2018. In addition, a difference in the treatment of future income taxes and other accounting adjustments will result in different numbers between the two documents.

Additional information regarding the Arrangement

Trinidad Meeting

The Trinidad Meeting is scheduled to be held in the Viking Room located at the Calgary Petroleum Club, 319 5th Avenue S.W., Calgary, Alberta, Canada at 9:00 a.m. (Calgary time) on December 11, 2018. At the Trinidad Meeting, Trinidad Securityholders will be asked to consider and vote on the Arrangement (the "Trinidad Arrangement Resolution").

The board of directors of Trinidad unanimously recommends that Trinidad Securityholders vote in favour of the Trinidad Arrangement Resolution.

Shareholder Information and Questions

If you have any questions or require more information to vote your Trinidad securities, please contact Trinidad's proxy solicitation agent D.F. King, proxy solicitation at 1-866-822-1240 or 1-212-771-1133 outside of North America, or via email at inquiries@dfking.com.

About Trinidad

Trinidad is an industry-leading contract driller, providing safe, reliable, expertly-designed equipment operated by well-trained and experienced personnel. Trinidad's drilling fleet is one of the most adaptable, technologically advanced and competitive in the industry. Trinidad provides contract drilling and related services in the US, Canada, the Middle East and Mexico.

FORWARD-LOOKING INFORMATION AND STATEMENTS

This document contains certain forward-looking information and statements within the meaning of Canadian securities laws (collectively, "forward-looking statements") relating to Trinidad's plans, strategies, objectives, expectations and intentions. The use of any of the words "expected", "will", "may", "would", "anticipated" and similar expressions are intended to identify forward-looking statements. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this document. More particularly but without limitation, this news release contains forward-looking statements pertaining to:

- the timing of the Trinidad Meeting;
- the difference between the impairment included in Trinidad's third quarter 2018 results and the pro forma financial statements in the Circular; and
- approvals required by both Trinidad shareholders and Precision shareholders.

The forward-looking statements included in this document are not guarantees of future performance and

should not be unduly relied upon. Forward-looking statements are based on current expectations, estimates and projections that involve a number of factors and risks, which could cause actual results to differ materially from those anticipated and described in the forward-looking statements. These factors and risks include, but are not limited to:

- the ability to obtain regulatory and shareholder approvals and meet other conditions to closing of the Transaction;
- the anticipated timing of the release of Trinidad's third quarter results and the expected impact on Trinidad's balance sheet in light of IFRS reporting requirements; and
- general economic conditions including the capital and credit markets.

Trinidad cautions that the foregoing list of assumptions, risks and uncertainties is not exhaustive. The forward-looking statements contained in this document speak only as of the date of this document and Trinidad assumes no obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities laws. For a full discussion of the Company's material risk factors, see Trinidad's annual information form for the year ended December 31, 2017 and risk factors in other documents filed from time to time with securities regulatory authorities, accessible through the SEDAR website (www.sedar.com).

Additional Information for U.S. Investors Contact

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offered or sold within the United States or to "U.S. persons", as such term is defined in Regulation S promulgated under the U.S. Securities Act, except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. It is anticipated that any securities to be issued under the Transaction will be offered and issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof and pursuant to applicable exemptions under state securities laws.

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