

# **Southern Energy Corp. Announces Closing of Strategic Asset Acquisition in the Southern United States and \$8.1 Million Convertible Debenture Financing**

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CALGARY, June 14, 2019 - [Southern Energy Corp.](#) ("Southern" or the "Company") (TSXV: SOU) has completed its previously announced acquisition of high quality, low decline natural gas assets (the "Assets") in the State of Mississippi for cash consideration of US\$16.5 million (\$22.0 million), subject to customary adjustments (the "Acquisition").

"We are happy to announce the closing of this acquisition as it further illustrates our ability to execute our business plan", stated Ian Atkinson, President and CEO of the Company. "Southern continues to position itself for significant growth in the US Gulf Coast States where commodity prices are the highest in North America."

Concurrent with the completion of the Acquisition, the Company closed its previously announced convertible debenture financing (the "Financing", and together with the Acquisition, the "Transaction") with a syndicate of agents co-led by Laurentian Bank Securities Inc. and Eight Capital, and including Cormark Securities Inc., Desjardins Securities Inc., Canaccord Genuity Corp. and Haywood Securities Inc. (the "Agents"), pursuant to which the Company sold an aggregate principal amount of \$8.1 million of convertible unsecured subordinated debentures of the Company (the "Debentures"), inclusive of \$283,000 of Debentures issued as commission to the Agents for the Financing. The net proceeds from the Financing were used, along with cash on hand and a further draw on the Company's credit facility (see below), to fund the Acquisition.

Laurentian Bank Securities Inc. and Eight Capital acted as financial advisors to Southern on the Transaction.

The Debentures, as well as the common shares issuable upon conversion of the Debentures which are issued within four months of issuance of the Debentures, will be subject to a hold period expiring on the day that is four months and one day after the closing of the Financing.

For more information regarding the Transaction, please see the Company's press release dated May 23, 2019.

Concurrent with the closing of the Transaction and to partially fund the Acquisition, the Company's senior secured credit facility (the "Facility") was amended to increase the borrowing base by over 30% from US\$12.5 million to US\$17.0 million. After completing the Acquisition, Southern has US\$15.8 million drawn from the Facility.

## **ABOUT SOUTHERN ENERGY CORP.**

[Southern Energy Corp.](#), is an oil and natural gas exploration and production company. Southern has a primary focus on developing conventional and unconventional light oil and natural gas resources in the Southeast Gulf States of Mississippi, Alabama, and Louisiana. Our management team has extensive experience with developing assets through the utilization of horizontal drilling and multi-staged fracture completion techniques. We have a long and successful history of working together as a team and have created significant shareholder value through high quality engineering and geoscience work.

## **READER ADVISORY**

This press release is not an offer of the securities for sale in the United States. The Debentures and the underlying common shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws and may not be offered or sold in the United States absent registration or an available exemption from the registration requirement of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

**Forward Looking 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" or similar words suggesting future outcomes or statements regarding an outlook. The forward-looking statements contained in this press release are based on certain expectations and assumptions made by Southern, including expectations and assumptions concerning the expected benefits of the Acquisition, the quality of the Assets and the timely receipt of any required regulatory approvals and the satisfaction of all conditions to the completion of the Financing.

All dollar figures included herein are presented in Canadian dollars, unless otherwise noted.

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

[www.southernenergy.ca](http://www.southernenergy.ca)

Contact

[Southern Energy Corp.](#), Suite 2400, 333 - 7th Avenue S.W., Calgary, Alberta T2P 2Z1, Ian Atkinson, President & CEO, Tel: (587) 287-5401 or Calvin Yau, V.P. Finance & CFO, Tel: (587) 287-5402

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