

# Frontera Prices Oversubscribed and Upsized US\$400 Million Senior Unsecured Notes Offering at 7.875%

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OVERWHELMING SUPPORT FOR OFFERING FROM GLOBAL INSTITUTIONAL INVESTOR BASE

TORONTO, June 10, 2021 - [Frontera Energy Corp.](#) (TSX: FEC) ("Frontera" or the "Company") announced today that it has successfully priced an oversubscribed and upsized offering of US\$400 million in senior unsecured notes due 2028 at a coupon rate of 7.875% (the "2028 Notes") pursuant to Rule 144A and Regulation S of the U.S. Securities Act of 1933, as amended, (the "Act"), with closing expected to occur on or about June 21, 2021. However, there can be no assurances that the issuance and sale of the 2028 Notes will be consummated.

The proceeds from the offering will be used to (i) repurchase the Company's U.S.\$350 million 9.70% senior secured notes due 2023 pursuant to a tender offer, at a premium of 104.85% per \$1,000 principal amount of notes (ii) pay accrued and unpaid interest on the same notes, and (iii) for general corporate purposes. The 2028 Notes have been assigned a rating of B+ by S&P Global Ratings with a Stable Outlook and a rating of B with a Stable Outlook by Fitch Ratings.\*

This press release is neither an offer to sell nor a solicitation of an offer to buy the 2028 Notes, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or jurisdiction.

The 2028 Notes have not been registered under the Securities Act, or the securities laws of any other jurisdiction, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. The 2028 Notes are being offered exclusively to qualified institutional buyers in the United States pursuant to Rule 144A under the Act, to non-U.S. persons in transactions outside the United States pursuant to Regulation S under the Act and pursuant to certain prospectus exemptions in Canada.

Based on publicly available information, The Catalyst Capital Group Inc. manages funds (the "Catalyst Funds") that hold approximately 35.8% of the common shares of the Company. Frontera understands that the Catalyst Funds have subscribed for and will purchase US\$8,000,000 principal amount of the 2028 Notes. As a result of the equity holdings of the Catalyst Funds, the purchase of 2028 Notes by the Catalyst Funds is a "related party transaction" of the Company as defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions of the Canadian Securities Administrators ("MI 61-101"). The purchase will be exempt from the valuation and minority approval requirements of MI 61-101 pursuant to sections 5.5(a) and 5.7(a) of MI 61-101, respectively. The material change report to be filed by the Company in connection with the closing of the offering will contain additional disclosure required under MI 61-101. In addition, the closing of the offering of the 2028 Notes is subject to the approval of the Toronto Stock Exchange (the "TSX"). The TSX has granted approval subject to certain conditions that the Company believes it will satisfy.

About Frontera

[Frontera Energy Corp.](#) is a Canadian public Company involved in the exploration, development, production,

transportation, storage and sale of oil and natural gas in South America, including related investments in both upstream and midstream facilities. The Company has a diversified portfolio of assets with interests in 39 exploration and production blocks in Colombia, Ecuador and Guyana, and pipeline and port facilities in Colombia. Frontera is committed to conducting business safely and in a socially, environmentally and ethically responsible manner. Frontera's common shares trade on the Toronto Stock Exchange under the ticker symbol "FEC".

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Advisories:

\* A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

#### Cautionary Note Concerning Forward-Looking Statements

This news release contains forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, the timing and terms of the offering of the 2028 Notes and the objectives and use of the proceeds from the 2028 Notes) are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things: failure to meet conditions of the tender offer to repurchase the U.S.\$350 million 9.70% senior secured notes due 2023 (including obtaining approval from the TSX); level of participation in the tender offer; volatility in market prices for oil and natural gas (including as a result of a sustained low oil price environment due to the COVID-19 pandemic and the actions of OPEC and non-OPEC countries and the restrictions imposed by governments in response thereto); the duration and spread of the COVID-19 pandemic and its severity, the success of the Company's program to manage COVID-19; uncertainties associated with estimating and establishing oil and natural gas reserves and resources; liabilities inherent with the exploration, development, exploitation and reclamation of oil and natural gas; the Company's ability to access additional financing; the ability of the Company to: meet its financial obligations and minimum commitments, fund capital expenditures and comply with covenants contained in the agreements that govern indebtedness; political developments in the countries where the Company operates; the uncertainties involved in interpreting drilling results and other geological data; geological, technical, drilling and processing problems and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's annual information form dated March 3, 2021 filed on SEDAR at [www.sedar.com](http://www.sedar.com). Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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