

Independent Proxy Advisor ISS Recommends Storm Resources Shareholders Vote For the All-Cash Transaction With CNRL

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- Storm shareholders are reminded to vote no later than December 13, 2021, at 10:00 a.m. (Calgary time)
- Storm shareholders who require assistance with voting can contact Kingsdale Advisors at 1-888-518-1552 (toll-free)

CALGARY, Dec. 7, 2021 - [Storm Resources Ltd.](#) (TSX: SRX) ("Storm" or the "Company") announces that one of the leading independent proxy advisors, Institutional Shareholder Services ("ISS"), has recommended that shareholders of Storm vote in favour of a special resolution approving the proposed plan of arrangement (the "Arrangement") between Storm and [Canadian Natural Resources Ltd.](#) ("CNRL") pursuant to which shareholders will receive \$6.28 for each common share of Storm they hold at the upcoming special meeting (the "Meeting") to be held on December 15, 2021 at 10:00 a.m. (Calgary time).

In reaching its recommendation, ISS noted: "[T]he consideration represents an all-time high share price for the Company as well as a premium of 10 percent to the company 10-day VWAP on the unaffected date. The company appears to have followed a reasonable transaction process as negotiations were conducted at arm's length and the proposed offer was revised up and down several times before arriving at a final purchase price of \$6.28 per company share. Further, as disclosed by the company, the proposed transaction offers attractive value for company shareholders with the purchase price implying an enterprise value for the company of approximately \$960 million including transaction related expenses and decommissioning obligations."

To further support its position, ISS also highlighted: (i) the 51.3% premium to the trading price two months prior to announcement; (ii) the immediate liquidity, (iii) the certainty of the all-cash structure and (iv) the fairness opinion provided by Stifel First which acted as exclusive financial advisor to Storm in connection with the Arrangement.

As an independent proxy advisory firm, ISS has approximately 3,100 clients including many of the world's leading institutional investors who rely on ISS' objective and impartial analysis to make important voting decisions.

Storm's board of directors (the "Board") has unanimously determined that the Arrangement is in the best interests of Storm and its shareholders and unanimously recommends that shareholders vote FOR the Arrangement at the upcoming Meeting. The Board and executive officers have agreed to support the transaction and to vote in favour of the Arrangement.

Under the Arrangement which was announced November 9th, CNRL has proposed to acquire, by way of court-approved plan of arrangement under the Business Corporations Act (Alberta), all of Storm's issued and outstanding common shares for a cash consideration of CAD \$6.28 per common share. The benefits of the transaction to Storm Shareholders include:

- **Attractive Value for Shareholders.** The cash consideration being paid by CNRL implies an enterprise value for Storm of approximately \$960 million including transaction related expenses, and the present value of the decommissioning obligations and debt including the working capital deficiency as of September 30, 2021. The resulting transaction metric is estimated to be 5.4 times annualized funds flow in the first nine months of 2021 or 5.4 times excluding loss on risk management contracts (hedging losses).
- **Shareholders capture the 86% increase in the price of the Company Shares since Stifel was engaged.** The Consideration represents an 86% increase when compared to the closing trading price of \$3.37 per Company Share on August 11, 2021.
- **10% realizable premium for Shareholders at an all time high share price.** The Arrangement provides Shareholders with an approximately 10% premium over Storm's 10-day volume weighted average trading price of \$5.73 per Company Share as of November 9, 2021, the date of announcement of the proposed Arrangement, and permits Shareholders to dispose of their Company Shares at a premium without the payment of brokerage commissions;
- **All cash offer with no financing condition.** The fact that the Consideration offered by CNRL is all cash and is not subject to any financing condition, which provides Shareholders with certainty of value and an immediate opportunity to dispose of their Company Shares or Company Options at a premium within a relatively illiquid market;

- Future Uncertainties. The Company Board's assessment of the current and anticipated future commodity price opportunities and risks associated with the business, operations, assets, financial performance and condition of Storm, if the Arrangement not be completed, and in that regard and in considering Storm continuing in its current form as a corporation to pursuing the Arrangement, the Company Board assessed the following:
- the recent *Yahey v. British Columbia* ruling from the Supreme Court of British Columbia on June 29, 2021;
- the recently initiated royalty review by British Columbia;
- future inflation of service costs;
- the short, medium and long-term financial obligations of Storm and their impact on cash flow;
- risks and uncertainties associated with future expansion of Storm's asset base;
- magnitude of future cash taxes which depends on realized commodity prices; and
- the impact of the ongoing volatility in commodity prices on capital expenditures associated with development of assets and future returns to Shareholders.

Stifel FirstEnergy has provided an opinion to the Board that, as at the date of the Arrangement Agreement, the consideration received by Storm shareholders pursuant to the Arrangement is fair, from a financial point of view, to Storm shareholders.

In light of public health guidelines related to COVID-19 that continue to restrict indoor gatherings, the Company has decided to hold the Meeting solely by means of remote communication. All shareholders are strongly encouraged to vote prior to the Meeting by proxy, as in-person voting at the time of the Meeting will not be possible.

Storm encourages shareholders to read the meeting materials in detail. Copies of the meeting materials, which include information as to how to vote and attend the Meeting via webcast or teleconference, are available under Storm's profile on SEDAR at www.sedar.com.

All amounts referred to in this press release are stated in Canadian dollars.

HOW TO VOTE

Shareholders are reminded to submit their votes by no later than 10:00 a.m. (Calgary time) on December 13, 2021. Your vote is important, regardless of how many securities you own. Voting can be done via the methods below:

Registered Shareholders

Registered shareholders can vote their shares by proxy over the internet, by entering the 12-digit control number printed on the form of proxy at <http://www.alliancetrust.ca/shareholders>.

Alternatively, registered shareholders can vote by returning their form of proxy by mail to Alliance Trust Company, 1010 10th Street S.W. Calgary, Alberta T2P 2Y3,

Beneficial Shareholders

Beneficial shareholders who hold their shares through a broker or other intermediary, should follow the instructions on the instruction form provided to them by their broker or other intermediary in order to vote. Each intermediary may have a different voting process.

SHAREHOLDER QUESTIONS

Shareholders who have questions regarding the Arrangement or require assistance with voting may contact Kingsdale Advisory Inc. who was retained by CNRL to act as Proxy Solicitation Agent, by telephone at 1-888-518-1552 (toll-free in North America) or 416-867-2272 (for collect calls outside of North America) or by email at contactus@kingsdaleadvisors.com.

About Storm

[Storm Resources Ltd.](http://StormResourcesLtd.com) began operations in August 2010, is headquartered in Calgary, Alberta and is focused on growing and developing oil and gas assets.

value for shareholders through the development of a large, liquids-rich resource in the Montney formation in northeast Columbia.

Cautionary Statement Regarding Forward-Looking Information

This press release contains certain forward-looking information within the meaning of Canadian securities laws. Forward-looking information relates to future events or future performance and is based upon the Company's current internal expectations, estimates, projections, assumptions and beliefs. All information other than historical fact is forward-looking information. Words such as "plan", "expect", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words indicate events or conditions may occur are intended to identify forward-looking information. More particularly and without limitation, this press release contains forward looking information relating to the anticipated benefits of the Arrangement and its shareholders; the timing and anticipated receipt of required securityholder, court, regulatory, stock exchange and other third party approvals for the Arrangement; the ability of Storm and CNRL to satisfy the other conditions to, and to complete, the Arrangement; and the anticipated timing of the holding of the Meeting and the closing of the Arrangement. In respect of forward-looking statements concerning the anticipated benefits and completion of the Arrangement, the timing and anticipated receipt of required third party approvals and the anticipated timing for completion of the Arrangement, CNRL and Storm have provided such in reliance on certain assumptions that they believe are reasonable at this time; the ability of the parties to complete, in a timely manner, the necessary securityholder, court, regulatory, stock exchange and other third party approvals, including but not limited to the receipt of applicable competition approvals; and the ability of the parties to satisfy, in a timely manner, the conditions to the closing of the Arrangement. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Storm's control. Completion of the Arrangement is subject to a number of conditions which are typical for transactions of this nature. Failure to satisfy any of these conditions, the emergence of a superior proposal, or the failure to obtain approval of securityholders may result in the termination of the Arrangement Agreement. The foregoing is not exhaustive. Additional information on these and other risks that could affect completion of the Arrangement are set out in the information circular for the Meeting, which is available on SEDAR at www.sedar.com. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be incorrect and, as such, undue reliance should not be placed on forward-looking statements. The actual results, performance or actions of Storm could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if they do so, what benefits that Storm will derive therefrom. The forward-looking statements in this press release should not be interpreted as providing a full assessment or reflection of the unprecedented impacts of the COVID-19 pandemic and the resulting indirect global and regional economic impacts. Storm disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

Non-GAAP Measures. This press release refers to the term "enterprise value" which is not recognized under Generally Accepted Accounting Principles ("GAAP") and is regarded as a non-GAAP measure. This non-GAAP measure may not be comparable to the calculation of similar amounts for other entities and readers are cautioned that use of such measures to compare enterprise values may not be valid. Non-GAAP terms are used to benchmark operations against prior periods and peer group companies and are commonly used by investors, analysts and other parties. "Enterprise value" is calculated as market capitalization plus debt including minority interest and capital deficiency. Management believes that enterprise value provides a useful measure of the market value of Storm's equity. "Market capitalization" is calculated as share price multiplied by the number of shares outstanding. Management believes that market capitalization provides a useful measure of the market value of Storm's equity.

SOURCE [Storm Resources Ltd.](http://StormResourcesLtd.com)

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