

Freehold Royalties Announces Closing of Equity Financing, Exercise of Over-Allotment Option, and Purchase of Additional Interest in the Acquisition

13.12.2024 | [GlobeNewswire](#)

CALGARY, Dec. 13, 2024 - [Freehold Royalties Ltd.](#) (Freehold or the Company) (TSX:FRU) is pleased to announce that it has completed its previously announced upsized bought-deal equity financing (the Equity Financing) of common shares, conducted by a syndicate of underwriters co-led by RBC Capital Markets, CIBC Capital Markets and TD Securities Inc. as joint bookrunners, including the full exercise of the over-allotment option granted to the underwriters.

Pursuant to the Equity Financing and the over-allotment option, Freehold issued approximately 13.3 million common shares at a price of \$13.00 per common share for total gross proceeds of approximately \$172.5 million.

On December 9, 2024, Freehold entered into a definitive agreement with a private seller to acquire mineral title and royalty interests in the core of the Midland Basin in Texas (the Acquisition and the Acquired Assets) for approximately \$216 million, net of estimates for exchange rate, expenses and customary closing adjustments. As a result of the upsizing of the Equity Financing and exercise of the over-allotment option, Freehold has exercised its option with the seller and will acquire approximately \$43 million of additional interest in the Acquired Assets, such that the total purchase price will be approximately \$259 million, net of estimates for exchange rate, expenses and customary closing adjustments. Closing of the Acquisition is expected to occur later today (December 13, 2024).

As a result of the increased interest to be acquired in the Acquisition, Freehold estimates 2025E production from the Acquired Assets to be 1,500 - 1,600 boe/d (approximately 61% light oil, 20% natural gas liquids and 19% natural gas) representing approximately \$37 million in 2025E net royalty revenue (net of production and ad valorem taxes) based on US\$70/bbl WTI, with limited tax burden in the near term.

Freehold is uniquely positioned as a leading North American energy royalty company with approximately 6.1 million gross acres in Canada and approximately 1.1 million gross drilling acres in the United States. Freehold's common shares trade on the Toronto Stock Exchange in Canada under the symbol FRU.

For further information contact

Freehold Royalties Ltd.

Todd McBride, CPA, CMA

Investor Relations

t. 403.221.0833

e. tmcbride@freeholdroyalties.com

w. www.freeholdroyalties.com

Nick Thomson, CFA

Investor Relations

t. 403.221.0874

e. nthomson@freeholdroyalties.com

w. www.freeholdroyalties.com

Forward-Looking Statements

This news release offers our assessment of Freehold's future plans and operations as at December 13, 2024 and contains forward-looking information including, without limitation, forward-looking information with regards to the anticipated purchase price for the Acquisition; the expected timing of closing the Acquisition; Freehold's estimates for 2025 production for the Acquired Assets and net royalty revenue (net of production and ad valorem taxes) for 2025; the anticipated tax burden associated in the near future; the expected

attributes and benefits to be derived by Freehold pursuant to the Acquisition; and the future performance of the Acquired Assets following the completion of the Acquisition.

This forward-looking information is provided to allow readers to better understand our business and prospects and may not be suitable for other purposes. By its nature, forward-looking information is subject to numerous risks and uncertainties, some of which are beyond our control, including the demand for oil and natural gas, general economic conditions, industry conditions, the impact of the Russia-Ukraine war and the Israel-Hamas-Hezbollah conflict on the global economy and commodity prices, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, royalties, environmental risks, taxation, regulation, changes in tax or other legislation, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility, our ability to access sufficient capital from internal and external sources. The closing of the Acquisition could be delayed if Freehold or the other parties are not able to satisfy the closing conditions and deliverables on the timelines anticipated. The Acquisition may not be completed if the conditions to the closing of the Acquisition are not satisfied. Accordingly, there is a risk that the Acquisition will not be completed within the anticipated time or at all. Risks are described in more detail in Freehold's annual information form for the year ended December 31, 2023 which is available under Freehold's profile on SEDAR+ at www.sedarplus.ca.

With respect to forward looking information contained in this press release including relating to the 2025 forecast production and 2025 royalty revenue from the Acquired Assets, we have made assumptions regarding, among other things; future oil and natural gas prices (for the purposes of the estimates in this press release we have assumed a West Texas Intermediate price of US\$70/barrel of oil and a NYMEX natural gas price of US\$3.30/MMbtu); future exchange rates (for the purposes of the estimates in this press release we have assumed an exchange rate of US\$1.00 for every CDN\$1.40); that drilled uncompleted wells will be completed in the short term and brought on production; that wells that have been permitted will be drilled and completed within a customary timeframe; expectations as to additional wells to be permitted, drilled, completed and brought on production in 2024 and 2025 based on Freehold's review of the geology and economics of the plays associated with the Acquired Assets; expected production performance of wells to be drilled and/or brought on production in 2024 and 2025; the ability of our royalty payors to obtain equipment in a timely manner to carry out development activities; the ability and willingness of royalty payors to fund development activities relating to the Acquired Assets; and such other assumptions as are identified herein. You are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward looking information. We can give no assurance that any of the events anticipated will transpire or occur, or if any of them do, what benefits we will derive from them. The forward-looking information contained herein is expressly qualified by this cautionary statement. To the extent any guidance or forward-looking statements herein constitute a financial outlook, they are included herein to provide readers with an understanding of management's plans and assumptions for budgeting purposes and readers are cautioned that the information may not be appropriate for other purposes. Our policy for updating forward-looking statements is to update our key operating assumptions quarterly and, except as required by law, we do not undertake to update any other forward-looking statements. You are further cautioned that the preparation of financial statements in accordance with International Financial Reporting Standards requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates may change, having either a positive or negative effect on net income, as further information becomes available and as the economic environment changes.

Currency

All references in this press release to dollar amounts are to Canadian dollars unless otherwise indicated.

Conversion of Natural Gas to Barrels of Oil Equivalent (BOE)

To provide a single unit of production for analytical purposes, natural gas production and reserves volumes are converted mathematically to equivalent barrels of oil (boe). We use the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 bbl). The 6:1 boe ratio is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead and is not based on either energy content or current prices. While the boe ratio is useful for comparative measures and observing trends, it does not accurately reflect individual product values and might be misleading, particularly if used in isolation. As well, given that the value ratio, based on the current price of crude oil to natural gas, is significantly different from the 6:1 energy

equivalency ratio, using a 6:1 conversion ratio may be misleading as an indication of value.

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/487512--Freehold-Royalties-Announces-Closing-of-Equity-Financing-Exercise-of-Over-Allotment-Option-and-Purchase-of-A>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).