

Beta Energy Corp. Provides Update on Kaden Creditor Proposal and Financing Arrangements

28.01.2025 | [CNW](#)

VANCOUVER, Jan. 28, 2025 - [Beta Energy Corp.](#) ("Beta" or the "Company") today announces that it has determined that the results of the Kaden Strategic Review Process (as defined herein) constitutes an event of default under the terms of a drawdown loan agreement dated November 15, 2024 (the "Drawdown Loan Agreement") between the Company and Kaden Energy Ltd., a wholly-owned subsidiary of the Company ("Kaden"), and that the Company should therefore terminate the Drawdown Loan Agreement and refuse a request from Kaden to further draw down on the funds made available by the Company to Kaden pursuant to the Drawdown Loan Agreement.

On October 3, 2024, the board of directors of the Company (the "Board") established a special committee of independent directors (the "Special Committee") to conduct a strategic review of transactions available to the Company, generally in respect of the disposition of Kaden or its operating assets, and any alternative transactions that would protect and enhance shareholder value and allow Beta to continue to operate as a going concern (the "Kaden Strategic Review Process"). Today, based on a unanimous recommendation of the Special Committee, the Board determined that it would not be in the best interests of the Company to pursue any of the potential transactions identified during the Kaden Strategic Review Process.

After careful consideration of Kaden's cash position, scheduled and outstanding debt payments, forecast revenue and expenses, and comprehensive consultation with its financial and legal advisors, the Company further determined that the results of the Kaden Strategic Review Process constitutes an event of default under the Drawdown Loan Agreement. As a result, the Board (on the recommendation of its independent directors) determined to terminate the Drawdown Loan Agreement and refuse Kaden's request for further advances. As a consequence of the Company's refusal to advance further funds to Kaden, the board of directors of Kaden expects that Kaden will be unable to make its January 31, 2025 payment to creditors, as required by Kaden's notice of intention to make a proposal proceedings under the Bankruptcy and Insolvency Act (Canada) (the "Proposal").

Additionally, the results of the Kaden Strategic Review Process and the Board's decision to cease advancing funds to Kaden under the Drawdown Loan Agreement may constitute an event of default under the terms of the convertible note funding agreement dated August 23, 2024 (the "CSFA") between the Company and Apex Opportunities Fund Ltd. ("Apex"), as guaranteed by Kaden pursuant to a guarantee of Kaden in favour of Apex dated November 15, 2025. Apex is the senior secured creditor of the Company and Kaden and holds a charge over all of the assets of Beta and Kaden to secure the repayment of funds advanced by Apex to the Company under the CSFA. If an event of default is deemed to have occurred under the CSFA, Apex will be entitled to enforce its security against each of the Company and Kaden.

About Beta Energy Corp.

Further information about the Company is available under its profile on the SEDAR+ website, www.sedarplus.ca.

ON BEHALF OF THE BOARD OF DIRECTORS

"Brad Nichol"

Brad Nichol
President and Chief Executive Officer

Forward-Looking Statements

This news release contains forward-looking statements and other statements that are not historical facts, including statements regarding a possible event of default under the CFSAs and Kaden's failure to make its January 31, 2025 payment pursuant to the Proposal. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipates", "expects" and similar expressions. All statements other than statements of historical fact, included in this news release are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company will update or revise publicly any of the included forward-looking statements as expressly required by applicable law.

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/490436--Beta-Energy-Corp.-Provides-Update-on-Kaden-Creditor-Proposal-and-Financing-Arrangements.html>

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