

Prospera Energy Announces Acquisition of White Tundra Petroleum, Operations Update, and Convertible Debt Repayment Terms

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CALGARY, March 06, 2025 - [Prospera Energy Inc.](#) (TSX.V: PEI, OTC: GXRFF) ("Prospera", "PEI" or the "Corporation")

White Tundra Acquisition

Prospera Energy is pleased to announce a strategic acquisition aimed at expanding its asset portfolio of low-decline base production with significant production upside. The Corporation has entered into an agreement to acquire 100% of the issued and outstanding common shares of White Tundra Petroleum ("WTP"). WTP's assets produce 30° API medium oil and are located near Loyalist and Hanna, Alberta. The acquisition strengthens PEI's base production and provides numerous high-impact reactivation opportunities. This transaction is subject to TSXV acceptance.

As part of the transaction, 18,000,000 common shares of PEI will be issued to WTP shareholders, contingent upon WTP achieving 85 barrels of oil equivalent per day (boe/d) for three consecutive days across its properties. This condition was achieved based on production levels from February 27th to March 1st. A performance-based bonus of 7,312,500 additional shares will be issued if production of 128 boe/d can be demonstrated for at least seven consecutive days within six months from the acquisition date. The Corporation is also assuming \$695,000 in debt as part of the transaction.

Prospera will assume operational oversight of WTP on March 6th, 2025, and immediately deploy a \$200,000 workover and reactivation program to optimize production beyond 128 boe/d. The bonus share consideration will be issued following the final statement of adjustments and verification of sustained production levels.

This transaction qualifies as a related party transaction. Shubham Garg serves as Prospera's Chairman of the Board, the CEO of WTP, and is a shareholder of WTP. The Corporation has relied on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(a) of MI 61-101 in respect of such insider participation. In addition, the related party director has recused himself from all board discussions including the acquisition's deal structure, valuation, and decisions in relation to this transaction.

The Corporation has strengthened its corporate governance policies, including full public disclosure of monthly operational updates. These policies are now transparently available on Prospera's website which include the PEI board mandate, PEI audit committee charter, PEI disclosure policy, ESTMA reports, and PEI related parties policies. This highlights Prospera's renewed commitment to enhanced transparency, public disclosure, and governance.

Operations Update:

Following the February operations update, PEI production continues to increase, exiting February at 878 boe/d (94% oil) which is up 10% from the previously reported February PEI peak production. On March 3rd, Luseland production reached 130 boe/d (100% oil), the highest since December 2023, while Hearts Hill achieved 208 boe/d (86% oil), marking the field's highest production since November 2019. These milestones reflect the Corporation's renewed strategic focus on high certainty, low-cost workovers rather than development drilling programs. The Corporation's two active service rigs are continuing to bring wells online across its Luseland and Hearts Hill properties.

Convertible Debt

Prospera is pleased to announce that it has reached a settlement agreement with its convertible debt holders

to address the upcoming maturity of its \$1,500,000 convertible debt, along with accrued interest of \$559,374.82 as of the note maturity date on March 26th, 2025.

Under the terms of the agreement:

- The \$1,500,000 principal will be refinanced through the issuance of a 12-month promissory note bearing 12% interest, with monthly principal repayments of \$250,000 commencing six months after issuance. Interest will be paid as a balloon payment at the end of the term.
- \$200,000 of outstanding interest will be settled through a 12-month convertible note at 12% interest, convertible into PEI common shares at \$0.05 per share. Prospera retains the right to pay this note in cash by providing thirty days notice, during which the holder retains the right to convert.
- The remaining \$359,374.82 in accrued interest will be settled through a shares-for-debt agreement at \$0.04 per share, subject to TSXV acceptance.

The convertible debt settlement reduces Prospera's total fully diluted share count by 30,000,000 common shares, resulting in a net reduction of (17,015,630) shares to Prospera's fully diluted scenario after accounting for the shares for debt and convertible debt transactions. PEI's capitalization table is available in its corporate deck at ProsperaEnergy.com.

About Prospera

Prospera Energy Inc. is a publicly traded Canadian energy company specializing in the exploration, development, and production of crude oil and natural gas. Headquartered in Calgary, Alberta, Prospera is dedicated to optimizing recovery from legacy fields using environmentally safe and efficient reservoir development methods and production practices. The company's core properties are strategically located in Saskatchewan and Alberta, including Cuthbert, Luseland, Hearts Hill, and Brooks. Prospera Energy Inc. is listed on the TSX Venture Exchange under the symbol PEI and the U.S. OTC Market under GXRFF.

Prospera reports gross production at the first point of sale, excluding gas used in operations and volumes from partners in arrears, even if cash proceeds are received. Gross production represents Prospera's working interest before royalties, while net production reflects its working interest after royalty deductions. These definitions align with ASC 51-324 to ensure consistency and transparency in reporting.

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FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements relating to the future operations of the Corporation and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will," "may," "should," "anticipate," "expects" and similar expressions. All statements other than statements of historical fact included in this release, including, without limitation, statements regarding future plans and objectives of the Corporation, 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.

Although Prospera believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Prospera can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in

development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures.

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 Prospera. As a result, Prospera cannot guarantee that any forward-looking statement will materialize, and 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 Prospera does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by Canadian securities law.

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

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