

Arc Resources Ltd. Files Management Information Circular For Arrangement With Shell Plc And Provides Board Update

14:00 Uhr | [CNW](#)

(TSX: ARX) [ARC Resources Ltd.](#) ("ARC" or the "Company") announced today that it has filed its management information circular (the "Information Circular") and related materials for the upcoming special meeting (the "Meeting") of the holders ("ARC Shareholders") of ARC common shares ("ARC Shares") being held to approve the previously announced plan of arrangement (the "Arrangement") involving ARC, [Shell plc](#) ("Shell"), Shell Canada Limited, a wholly-owned subsidiary of Shell, and the ARC Shareholders.

All amounts in this press release are stated in Canadian (CAD\$) unless otherwise specified.

ARRANGEMENT AGREEMENT

Under the terms of the arrangement agreement dated April 27, 2026 (the "Arrangement Agreement") as amended by the Amending Agreement (as defined below), ARC Shareholders will be entitled to receive 0.40247 of an ordinary share of Shell (each whole share, a "Shell Share") and \$8.20 in cash in exchange for each ARC Share, representing total consideration of \$32.80 per ARC Share (the "Consideration"), based upon the closing price of Shell Shares on the London Stock Exchange and the daily GBP/CAD exchange rate published by the Bank of Canada as of April 24, 2026, the last trading day prior to the announcement of the Arrangement Agreement. The parties entered into an amending agreement on June 6, 2026, to address certain mechanics related to the issuance and delivery of the Consideration to ARC Shareholders (the "Amending Agreement").

The proposed Arrangement is to be completed by way of an Arrangement under the Business Corporations Act (Alberta) and, subject to satisfaction of conditions typical for a transaction of this nature, including regulatory approvals, is expected to close in the second half of 2026.

Strategic Rationale

- **Attractive Premium and Value:** The Consideration of \$32.80 per ARC Share (based upon the closing price of Shell Shares on the London Stock Exchange ("LSE") and the British pounds sterling to Canadian dollar daily exchange rate published by the Bank of Canada as of April 24, 2026) represents a 27% premium to the closing price of the ARC Shares on the Toronto Stock Exchange ("TSX") on April 24, 2026, the last trading day before the Arrangement was announced, and a meaningful premium to the 20-day and 30-day volume-weighted average trading prices before such date.
- **Optionality to Retain Meaningful Equity Exposure or Monetize Highly Liquid Shares:** The Consideration mix allows ARC Shareholders to gain equity exposure to an integrated global energy platform through Shell Shares which represent 75% of the Consideration, or to monetize some or all of these highly liquid shares in the open market.
- **Shell's Commitment to Shareholder Returns:** ARC Shareholders receiving Shell Shares will benefit from Shell's commitment to returning 40 to 50% of cash flow from operations to its shareholders through a 4% progressive dividend and share buybacks. The buybacks announced with Shell's Q1 2026 quarterly results on May 7, 2026 were the 18th consecutive quarter of share buybacks of at least US\$3 billion and the announced Q1 2026 quarterly interim dividend amounted to US\$0.3906 per Shell Share.
- **Improved Cost of Capital and Reduced Cash Flow Volatility:** Shell's strong investment grade credit ratings and diversified global portfolio are expected to reduce cash flow volatility, improve access to global markets, and reduce exposure to in-basin pricing. Through ownership of Shell Shares, ARC Shareholders will benefit from Shell's lower cost of capital, broader market access, and greater financial resilience through commodity and economic cycles.

- **De-Risks and Accelerates Value Realization:** The board of directors of ARC (the "ARC Board") believes the Consideration realizes premium value for ARC's long-duration Montney asset base, in particular recognizing the long-term resource potential of Attachie. In addition, the Consideration reflects long-term commodity prices in line with or above mid-cycle levels and meaningfully above long-term futures prices as of the date of the Arrangement Agreement.
- **Unlocks and Advances LNG-Related Value Through Shell's Global Integrated Gas Platform:** The Consideration reflects accelerated value for ARC's undeveloped natural gas properties adjacent to Shell's operations which are connected to LNG Canada. The Arrangement provides opportunity to realize additional value through Shell's global natural gas value chain that includes LNG Canada Phase 1, in which Shell holds a 40% interest, and the potential LNG Canada Phase 2 project, which is subject to a final investment decision.
- **Aligned Priorities of Responsible Development, Operational Excellence and Safety:** Both Shell and ARC have complementary core values and operating philosophies that create alignment for employees and external stakeholders. Through strong environmental, social and governance practices, both companies consistently demonstrate their commitment to responsible development. This includes a strong safety culture that prioritizes people and operational excellence.
- **Opportunities for ARC Employees:** Shell has indicated it intends to maintain a significant operational presence in Western Canada and integrate ARC's people into its Canadian operations. The ARC Board believes Shell's global scale and ongoing investment in employee development will benefit ARC's workforce and provide enhanced opportunities for professional growth and development.
- **Positive Impact on Communities, Indigenous Peoples and Stakeholders:** ARC and Shell have each demonstrated a longstanding commitment to supporting the communities in which they operate. Both companies have established community investment programs and partnerships that support local initiatives, address social priorities, and foster strong relationships with community stakeholders. The ARC Board believes that Shell's presence will provide sustained long-term investment that will deliver enduring economic benefits in its operating communities and support long-term social investments that benefit the region and local Indigenous communities.

SPECIAL MEETING INFORMATION

The Meeting is scheduled to be held virtually on Tuesday, July 14, 2026 at 10 a.m. (Mountain time). ARC Shareholders are encouraged to review the Information Circular, which provides detailed information and voting instructions regarding the Arrangement, and are urged to vote well in advance of the Meeting and in any event, prior to the proxy voting deadline on Friday, July 10, 2026, at 10 a.m. (Mountain time).

Approval of the Arrangement will require the affirmative vote of at least $\frac{23}{66}$ per cent of the votes cast by ARC Shareholders present or represented by proxy at the Meeting, in accordance with applicable corporate and securities laws.

Meeting Materials & Instructions for ARC Shareholders

The Information Circular and accompanying materials are being mailed to ARC Shareholders of record as of June 1, 2026. ARC has elected to use the "notice-and-access" provisions under National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer and National Instrument 51-102 - Continuous Disclosure Obligations for the Meeting in respect of mailing to beneficial ARC Shareholders.

Beneficial ARC Shareholders will receive a notice containing information prescribed by the notice-and-access provisions and a voting instruction form, and may request that a paper copy of the Information Circular be sent to them by post at no cost by: (i) visiting www.proxyvote.com; or (ii) contacting 1-877-907-7643. The 16-digit control number located on their voting instruction form will be required. If you have questions or need assistance voting, please contact Laurel Hill Advisory Group, the proxy solicitation agent retained by ARC, by calling 1-877-452-7184 (toll-free in Canada and the United States) or 1-416-304-0211 (outside of Canada and the United States), by texting "INFO" to either number, or by email at assistance@laurelhill.com.

The Information Circular together with related Meeting materials have been posted and are available for review at www.arcresources.com/ShellAcquisition and also on ARC's SEDAR+ profile at www.sedarplus.ca.

Receiving the Consideration under the Arrangement

Registered ARC Shareholders will receive a letter of transmittal ("LOT") with their Meeting materials. The LOT must be properly completed and returned together with any certificate(s) representing the shareholder's ARC Shares, if applicable, and all other required documents in order to receive the Consideration under the Arrangement as soon as possible, but no later than the last business day before the third anniversary of the Arrangement's effective date.

The LOT is for use by registered ARC Shareholders only. Beneficial ARC Shareholders will need to follow the instructions provided by their broker or other nominee to deposit their ARC Shares and receive the Consideration to which they are entitled under the Arrangement.

ARC Shareholders are advised that the Shell Shares are listed and traded on the LSE, and are not and will not be listed on the TSX. In order to trade the Shell Shares received through the Arrangement, a holder must have a CREST account. CREST is the electronic settlement system for UK securities operated by Euroclear. A CREST account is an account within that system that allows holders to hold and trade shares in uncertificated (electronic) form. Registered ARC Shareholders (other than Dissenting ARC Shareholders, Ineligible Foreign Holders and ARC Shareholders who validly elect the Liquidity Option (each as defined in the Information Circular)) who do not provide valid CREST account details in the LOT will receive their Shell Shares in certificated form and will not be able to trade their Shell Shares until such Shell Shares are deposited into a CREST account or sold through a broker that offers a certificated dealing service. Beneficial ARC Shareholders are cautioned that certain brokers, financial institutions, trust companies or other intermediaries may not have access to a CREST account and are urged to contact their intermediaries to make appropriate arrangements.

If you have questions regarding the receipt of the Shell Shares or need assistance completing the LOT, please contact Laurel Hill Advisory Group, the proxy solicitation agent retained by ARC, by calling 1-877-452-7184 (toll-free in Canada and the United States), or 1-416-304-0211 (outside of Canada and the United States), by texting "INFO" to either number, or by email at assistance@laurelhill.com.

BOARD OF DIRECTORS UPDATE

The Arrangement has received unanimous approval by the ARC Board which recommends ARC Shareholders vote FOR the Arrangement at the Meeting on Tuesday, July 14, 2026.

ARC also announced that Hal Kvisle has elected to step down as Chair of the ARC Board for personal reasons, with Michael Culbert assuming the role. Mr. Kvisle will remain on the ARC Board until closing of the Arrangement or the end of his term in May 2027.

"It has been a privilege to serve as Board Chair of ARC over the past 10 years," said Hal Kvisle, Chair of the ARC Board. "I remain confident in the merits of the proposed transaction with Shell, and the value it delivers for ARC Shareholders. This agreement brings together two companies with shared commitments to safety, operational excellence and care for communities - strengthening our ability to deliver long-term value for decades to come."

"On behalf of ARC's board of directors and the entire organization, I wish to thank Hal for his outstanding leadership and continued support," said Michael Culbert, ARC Director and incoming Chair of the ARC Board. "Hal's strategic insight and wisdom have been invaluable in shaping ARC into the world-class organization it is today."

Mr. Culbert has served on the ARC Board since 2024. Mr. Culbert has 35 years of experience in the North American energy industry with expertise in operations, development, finance, marketing, regulatory and business development. Previously, Mr. Culbert co-founded Progress Energy where he held positions of President and Chief Executive Officer, and ultimately Vice Chairman of PETRONAS Energy Canada Ltd. until 2020.

FORWARD-LOOKING INFORMATION AND STATEMENTS

This news release contains forward-looking statements and forward-looking information (collectively referred

to as "forward-looking statements") within the meaning of applicable securities legislation that involve substantial known and unknown risks and uncertainties. The use of any of the words "plan", "expect", "intend", "believe", "should", "anticipate", or other similar words, or statements that certain events or conditions "may" or "will" occur are intended to identify forward-looking statements. These statements are only predictions and actual events or results may differ materially. Many factors could cause ARC's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, ARC. In particular, this news release contains forward-looking statements with respect to, among other things: the expected closing date of the Arrangement; the anticipated benefits of and reasons for the Arrangement upon receipt of Shell Shares by the ARC Shareholders including that it accelerates the realization of value for ARC's long-duration Montney asset base and the resource potential of Attachie, provides optionality to gain equity exposure to an integrated global energy platform through Shell Shares or the ability to monetize Shell Shares in the open market and provides the opportunity to realize additional value for ARC's undeveloped natural gas assets through Shell's global natural gas value chain; Shell's indication that it intends to maintain a significant operational presence in Western Canada and integrate ARC's people into its Canadian operations; that ARC Shareholders will benefit from continued shareholder returns with a Shell quarterly dividend and the amount thereof; expectations that Shell's strong investment grade credit ratings and diversified global portfolio will support a lower cost of capital, broader market access, and greater financial resilience through commodity and economic cycles; the ARC Board's belief that Shell's global scale and ongoing investment in employee development will benefit ARC's workforce and that Shell's investment will deliver enduring economic benefits in its operating communities and support long-term social investments that benefit the region and local Indigenous communities; ARC Shareholders' ability to trade the Shell Shares; that beneficial ARC Shareholders will receive a notice-and-access notice and registered ARC Shareholders will receive a LOT; that Shell Shares will not be listed on the TSX; expectations regarding the issuance of the Shell Shares and the ability of ARC Shareholders to trade such Shell Shares; that Mr. Kvisle will remain on the ARC Board until the completion of the Arrangement or the end of his term in May 2027; and similar statements. There can be no assurance that the plans, intentions, or expectations upon which these forward-looking statements are based will occur.

Developing forward-looking statements involves reliance on a number of assumptions and consideration of certain risks and uncertainties, some of which are specific to ARC and others that apply to the industry generally. The material assumptions on which the forward-looking statements in this news release are based, and the material risks and uncertainties underlying such forward-looking statements, include: the satisfaction of the conditions the Arrangement is subject to; the approval of the Arrangement at the Meeting; Shell's ability to finance the Arrangement; regulatory and government approvals for the Arrangement; the risk that the Arrangement may be varied, accelerated or terminated in certain circumstances; risks relating to the outcome of the Arrangement, including the risks associated with approval at the Meeting; the risk that the conditions to the Arrangement may not be satisfied, or to the extent permitted, waived, including the risk that required regulatory approvals may not be received in a timely manner or at all; volatility of commodity prices; adverse economic conditions; political uncertainty; lack of capacity in, and/or regulatory constraints and uncertainty regarding, gathering and processing facilities, pipeline systems, and railway lines; indigenous land and rights claims; compliance with environmental regulations; risks relating to climate change, including transition and physical risks; ARC's ability to recruit and retain a skilled workforce and key personnel; development and production risks; project risks; risks relating to failure to obtain regulatory approvals; reputational risks; risks relating to a changing investor sentiment; asset concentration; risks relating to information technology systems and cyber security; risks related to hydraulic fracturing; liquidity; inflation, cost management and interest rates; third-party credit risks; variations in foreign exchange rates; risks relating to royalty regimes; the impact of competitors; lack of adequate insurance coverage; inaccurate estimation of ARC's reserve volumes; limited, unfavorable or a lack of access to capital markets; market access constraints or transportation interruptions, unanticipated operating results or production declines; increased debt levels or debt service requirements; increased costs; potential regulatory and industry changes stemming from the results of court actions affecting regions in which ARC holds assets; ARC's ability to successfully integrate and realize the anticipated benefits of completed or future acquisitions and divestitures; access to sufficient capital to pursue any development plans; the risk that (i) the tariffs that are currently in effect on goods exported from or imported into Canada continue in effect for an extended period of time, the tariffs that have been threatened are implemented, that tariffs that are currently suspended are reactivated, the rate or scope of tariffs are increased, or new tariffs are imposed, including on oil and natural gas, (ii) the U.S. and/or Canada imposes any other form of tax, restriction or prohibition on the import or export of products from one country to the other, including on oil and natural gas, and (iii) the tariffs imposed or threatened to be imposed by the U.S. on other countries and retaliatory tariffs imposed or threatened to be imposed by other countries on the U.S., will trigger a broader global trade war which could have a material adverse effect on the Canadian, U.S. and global economies, and by extension the Canadian oil and natural gas industry and the Company, including by decreasing demand for (and the price of) oil and natural gas, disrupting supply chains, increasing costs, causing volatility in global financial markets, and limiting access to financing; forecast commodity prices and other pricing assumptions; expectations and projections made in light of ARC's historical experience; data contained in key modeling statistics; assumptions with respect to

global economic conditions and the accuracy of market outlook; the impacts of the ongoing Middle-East conflicts, Russia-Ukraine war and geopolitical developments in Venezuela (and any associated sanctions) on the global economy and commodity prices; the continuance of existing tax, royalty, and regulatory regimes; forecast production volumes based on business and market conditions; opportunity for ARC to pay dividends and the approval and declaration of such dividends by the ARC Board; the existence of alternative uses for ARC's cash resources which may be superior to payment of dividends or effecting repurchases of outstanding common shares; cash flows, cash balances on hand, and access to ARC's credit facility and other long-term debt being sufficient to fund capital investments; the ability of ARC's existing pipeline commitments and financial risk management transactions to partially mitigate a portion of ARC's risks against wider price differentials; business interruption, property and casualty losses, or unexpected technical difficulties; estimates of quantities of crude oil, natural gas, and liquids from properties and other sources not currently classified as proved; future use and development of technology and associated expected future results; the successful and timely implementation of capital projects or stages thereof; the ability to generate sufficient cash flow to meet current and future obligations.

Although ARC believes that the assumptions used in such forward-looking statements and information are reasonable, there can be no assurance that such assumptions will be correct. Accordingly, readers are cautioned that the actual results achieved may vary from the forward-looking information provided herein and that the variations may be material. Readers are also cautioned that the foregoing list of assumptions, risks, and factors is not exhaustive.

Further information regarding the assumptions and risks inherent in the making of forward-looking statements and in respect of the Arrangement can be found in the Information Circular, along with ARC's other public disclosure documents which are available through the Company's website at www.arcresources.com and through the SEDAR+ website at www.sedarplus.ca.

The forward-looking information included in this news release is expressly qualified in its entirety by the foregoing cautionary statements. These forward-looking statements are made as of the date of this news release and ARC disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results, or otherwise, other than as required by applicable securities laws.

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ARC Resources Ltd. is a pure-play Montney producer and one of Canada's largest dividend-paying energy companies, featuring low-cost operations. ARC's investment-grade credit profile is supported by commodity and geographic diversity and robust risk management practices around all aspects of the business. ARC's common shares trade on the Toronto Stock Exchange under the symbol ARX.

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