Surge Energy Inc. and Longview Oil Corp. Announce $429 Million Strategic Business Combination

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Surge Announces Upward Revision to 2014 Guidance, and 11 Percent Increase in Dividend

CALGARY, March 31, 2014 - Surge Energy Inc. (TSX: SGY) ("Surge" or the "Company") and Longview Oil Corp. (TSX: LNV) ("Longview") are pleased to announce today that they have entered into an arrangement agreement, pursuant to which Surge has agreed to acquire all of the issued and outstanding common shares of Longview by way of a plan of arrangement transaction. The proposed transaction results in the formation of an elite, intermediate, light and medium oil focused, dividend paying, growth company. The combined asset base will be strategically focused in the Williston Basin and Central Alberta with significant complimentary reserves, production, land and operations. The proposed transaction is accretive to Surge on all metrics, and adds concentrated reserves, production, land, and operations that are contiguous with Surge's existing core areas.

Pursuant to the arrangement agreement, Surge has agreed to acquire all of the Longview common shares at an exchange ratio of 0.975 of a Surge common share for each Longview common share. The exchange ratio implies a value of $5.99 per Longview share based on the closing price of Surge common shares of $6.14 on the Toronto Stock Exchange ("TSX") on March 31, 2014, and a premium of approximately 35 percent to the closing price of Longview common shares on the TSX on February 7, 2014, the last trading day before Longview announced the receipt of a nonbinding proposal. In addition, Surge will assume approximately $155 million of Longview net debt (including transaction costs) to be outstanding upon completion of the proposed transaction. Accordingly, the proposed transaction implies a value of approximately $429 million for Longview (including Surge's previously announced acquisition of 9.3 million Longview common shares, representing 19.8 percent of the shares outstanding, at $4.45 per share).

Assuming the successful completion of the proposed transaction:

1) Surge's projected 2014 production exit rate is now expected to increase to more than 21,000 boe/d (84 percent oil); and

2) Surge will increase its annual dividend 11 percent to $0.60 per share ($0.050 per share per month) from $0.54 per share per annum ($0.045 per share per month) currently.

The above increase in guidance and dividend, as well as the significant operational overlap between the two companies, will benefit both Surge and Longview shareholders. After taking into account the exchange ratio, the dividend increase represents an increase of 22 percent in the annual dividend for Longview shareholders.

STRATEGIC RATIONALE

The proposed transaction is consistent with Surge's defined business model of acquiring elite, operated, light and medium gravity crude oil reservoirs with large original oil in place ("OOIP[1]"). On this basis, Surge estimates Longview's net OOIP is greater than 375 million barrels. Consequently, post-closing Surge will have over 1.8 billion barrels of light and medium gravity OOIP under the Company's ownership and management.

Longview's assets fit seamlessly into Surge's core areas, including: the Midale Marly, light oil play trend in SE Saskatchewan; the Sparky medium gravity oil play trend in Central Alberta; and within Surge's Central Alberta core area, where Longview has several large OOIP pools categorized by high netbacks and low decline production.

[1] Original Oil in Place (OOIP) is the equivalent to Total Petroleum Initially In Place (TPIIP) for the purposes of this press release. TPIIP is defined as that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered. There is no certainty that any portion of the undiscovered resources will be discovered. There is no certainty that it will be commercially viable to produce any portion of the resources. A recovery project cannot be defined for this volume of TPIIP at this time, and as such it cannot be further sub-categorized.

Paul Colborne, President and CEO of Surge, stated: "We believe that this transaction is an exciting opportunity for BOTH Surge and Longview shareholders. Shareholders in the combined company will participate in one of the elite, light and medium oil, dividend paying, growth companies in Canada, and receive a significant dividend increase, while benefitting from Surge's peer group leading "all-in" sustainability ratio, and an excellent balance sheet."

Steven Sharpe, Chairman and Interim CEO of Longview, said: "We believe this transaction provides Longview shareholders with the opportunity to crystallize a meaningful premium, and the opportunity to participate in the exciting potential of the combined company going forward."

SUMMARY OF TRANSACTION

The proposed transaction is expected to close in June, 2014. Completion of the proposed transaction is subject to the approval of at least 66 2/3 percent of the Longview shareholders voting at a special meeting and the approval of the majority of the minority of Longview shareholders after excluding the votes cast in respect of the Longview common shares held by Surge. The special meeting of Longview shareholders called to approve the proposed transaction is expected to be held in June 2014. Completion of the proposed transaction is also subject to, among other things, the receipt of court approval and other customary closing conditions.

The Board of Directors of Longview has unanimously approved the proposed transaction and, based in part on a fairness opinion from BMO Capital Markets, Longview's financial advisor, determined that the proposed transaction is in the best interests of Longview and is fair to Longview shareholders. The Longview Board of Directors has also resolved to recommend that Longview shareholders vote their Longview common shares in favor of the proposed transaction. All of the directors and officers of Longview, holding Longview common shares, have entered into lockup agreements pursuant to which they have agreed to vote their Longview common shares in favour of the proposed transaction.

Longview has agreed not to solicit or initiate any discussions regarding any other acquisition proposals or sale of material assets. Longview has also granted Surge a 72 hour right to match any superior proposal, and has agreed to pay a termination fee of $7.7 million to Surge in certain circumstances, including if Longview recommends, approves or enters into an agreement with respect to a superior proposal.

In accordance with the arrangement agreement, Longview shareholders will receive 0.975 of a Surge common share for each Longview Share issued outstanding, and Surge will also assume an estimated $155 million of Longview debt (including transaction costs) upon completion of the proposed transaction. Based upon the exchange ratio discussed above, it is anticipated that Surge will issue approximately 37.8 million common shares of Surge to Longview shareholders. Taking into account Surge's previously announced acquisition of 9.3 million Longview common shares, representing 19.8 percent of the common shares outstanding, at $4.45 per share, the weighted average acquisition price per Longview common share paid by Surge would be $5.69 based on the closing price of Surge common shares of $6.14 on the TSX on March 31, 2014.

Surge and Longview have agreed that a current director of Longview will be appointed to the Board of Directors of Surge on closing of the proposed transaction.

OUTLOOK AND INCREASED GUIDANCE IN 2014

This proposed transaction is exciting for both Longview and Surge shareholders.

Proforma the proposed transaction, Longview shareholders will be able to participate in one of the highest quality, light and medium gravity crude oil, dividend paying, growth companies in Canada (with highly liquid daily trading volumes), and to receive a planned 22 percent increase in their dividend, while benefitting from Surge's peer group low, "all-in" payout ratio, of less than 89 percent.

Surge shareholders will benefit from an accretive transaction on all metrics, an excellent asset fit (as described above), and an 11 percent increase in Surge's annual dividend to $0.60 per share, while maintaining Surge's attractive balance sheet - with an estimated Q4/14 debt to annualized cash flow ratio of 1.45 times (based on strip pricing).

Assuming the successful completion of the proposed transaction, Surge's projected 2014 production exit rate is now expected to increase to more than 21,000 boepd (84 percent crude oil).

In 2014 Surge will continue to focus growth capital towards elite, large OOIP, light and medium gravity, crude oil reservoirs. Management's primary goals for Surge include achieving 3-5 percent organic annual per share growth in reserves, production, and cash flow, maintaining a sustainable dividend, continued debt reduction from the Company's low payout ratio, together with the pursuit of high quality, accretive acquisitions.

Management of Surge will continue to maintain balance sheet flexibility with an effective risk management program, and to pursue the Company's extensive waterflood program. By the end of 2014, Surge now anticipates that over 75 percent of the Company's producing assets will be under waterflood. The implementation of these waterflood projects is an integral part of Surge's strategy of increasing oil recovery factors throughout the Company's deep crude oil portfolio, lowering corporate decline rates and maximizing shareholder value. The Company will also pursue continued, year over year increases in recovery factors from these high quality assets through low risk development activities, including in-fill and step out development drilling.

ADVISORS

Macquarie Capital Markets Canada Ltd. is acting as exclusive financial advisor to Surge with respect to the proposed transaction. McCarthy Tétrault LLP is acting as legal advisor to Surge with respect to the proposed transaction.

Scotiabank, GMP Securities L.P. and National Bank Financial are acting as strategic advisors to Surge with respect to the proposed transaction.

BMO Capital Markets is acting as financial advisor, and Burnet, Duckworth & Palmer LLP is acting as legal advisor to Longview with respect to the proposed transaction.

ABOUT SURGE

Surge is an oil-weighted production and development company with high quality, large OOIP, crude oil reservoirs. Management is focused on delivering to its shareholders solid per share organic growth, sustainable monthly dividends, and further growth through accretive acquisitions of additional elite oil reservoirs. For further information visit our website at www.surgeenergy.ca.

ABOUT LONGVIEW

Longview is actively engaged in the business of oil and gas exploration, development, acquisition and production in the provinces of Alberta and Saskatchewan. For further information visit our website online at www.longviewoil.com.

FORWARD LOOKING STATEMENTS:

*This press release contains forward-looking statements. More particularly, this press release includes, without limitation, forward-looking statements concerning: (i) the anticipated terms and timing for closing of the proposed transaction; (ii) expectations and assumptions concerning timing of receipt of required regulatory approvals and the satisfaction of other conditions to the completion of the proposed transaction; (iii) estimated 2014 exit production rate of Surge; (iv) increase in dividend of Surge; (v) realization of anticipated benefits of the proposed transaction; (vi) characteristics with respect to the properties associated with Longview; (vii) timing of the special meeting of Longview shareholders; (viii) estimated Q4 2014 debt to annualized cash flow ratio of Surge; (ix) Surge's strategy with respect to its waterflood program; and * Surge's growth strategy and anticipated growth plans for 2014 and beyond.*

The forward-looking statements contained in this press release are based on certain key expectations and assumptions made by Surge, including, but not limited to, expectations and assumptions that the proposed transaction will close on the terms and the time expected, all regulatory approvals and other conditions will be received or satisfied for closing the proposed transaction, concerning the success of future drilling, *development and completion activities, the performance of existing wells, the performance of new wells, the viability of waterflood projects, the availability and performance of facilities and pipelines, the geological characteristics of Surge's properties, the successful application of drilling, completion and seismic technology, prevailing weather conditions, commodity prices, royalty regimes and exchange rates, the application of regulatory and licensing requirements and the availability of capital, labour and services. Although Surge 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 Surge 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, that the conditions for the proposed transaction will not be satisfied or close on the terms expected, Surge will not achieve the anticipated benefits of the proposed acquisition, 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. Certain of these risks are set out in more detail in Surge's Annual Information Form which has been filed on SEDAR and can be accessed at www.sedar.com.

The forward-looking statements contained in this press release are made as of the date hereof and Surge undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Note: Boe means barrel of oil equivalent on the basis of 1 boe to 6,000 cubic feet of natural gas. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 1 boe for 6,000 cubic feet of natural gas is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Boe/d means barrel of oil equivalent per day.

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

Contact

Paul Colborne, President & CEO
Surge Energy Inc.
Phone: (403) 930-1507
Fax: (403) 930-1011
Email: pcolborne@surgeenergy.ca

Max Lof, CFO
Surge Energy Inc.
Phone: (403) 930-1021
Fax: (403) 930-1011
Email: mlof@surgeenergy.ca

Steven Sharpe, Chairman and Interim CEO
Longview Oil Corp.
Phone: 403-718-8100
Email: ssharpe@longviewoil.com

Carey Baker, VP, Finance & CFO
Longview Oil Corp.
Phone: (403) 718-8100
Email: cbaker@longviewoil.com