

CALGARY, Dec. 22, 2015 /CNW/ - [Oando Energy Resources Inc.](#) ("OER" or the "Company") (TSX: OER), a company focused on oil and gas exploration and production in Nigeria, today announced that it has entered into a definitive agreement (the "Arrangement Agreement") with Oando PLC and Oando E&P Holdings Limited, a private company incorporated under the laws of the Province of British Columbia as a wholly-owned subsidiary of Oando PLC (the "Purchaser"), under which the Purchaser would acquire all of the issued and outstanding common shares of OER (the "Common Shares"), excluding the Common Shares held by Oando PLC and those held by M1 Petroleum Ltd., West African Investment Ltd. and Southern Star Shipping Company Inc. (collectively, the "Institutional Shareholders") (such Common Shares, excluding those of Oando PLC and the Institutional Shareholders being the "Minority Shares"), pursuant to a plan of arrangement (the "Plan of Arrangement") for cash consideration of US\$1.20 per share (the "Consideration"), subject to the receipt of relevant lender consent and regulatory approvals.

Oando PLC holds, either directly or indirectly, 746,107,838 of the Common Shares, representing approximately 93.7% of the issued and outstanding Common Shares. Pursuant to the Plan of Arrangement, the Purchaser will acquire all of the Common Shares that are held either directly or indirectly by the Institutional Shareholders and Oando PLC. In consideration for such transfer, they shall receive such number of shares of the Purchaser as reflects the number of their contributed Common Shares for the purposes of completing the transactions contemplated by the Plan of Arrangement.

The Consideration represents a 177.2% premium to the 20-day volume weighted average price of the Common Shares on the Toronto Stock Exchange for the period ending December 21, 2015, using the Bank of Canada US\$ to CDN\$ closing exchange rate of 1.3965 on December 21, 2015. The transaction provides total consideration to holders of Minority Shares of approximately US\$13.7 million and implies an equity value for the Company of approximately US\$955.3 million.

The Board of Directors of OER has unanimously (with Messrs. Tinubu and Boyo abstaining) determined that the Plan of Arrangement is fair to shareholders (excluding Oando PLC and the Institutional Shareholders) and it would be in the best interests of the Company to enter into the Arrangement Agreement.

The determination of the Board was made upon the recommendation of a special committee of independent directors (the "Independent Committee"), and after consideration of the advice of legal and financial advisors to the Independent Committee and the Company.

Bill Watson, Chairman of the Independent Committee stated "This proposal represents a significant premium to the 20 day volume weighted average price of the Common Shares prior to today's announcement. We recommend that shareholders vote in favour of the Plan of Arrangement at the special meeting of shareholders to be held for the purposes of approving the transaction."

FirstEnergy Capital Corp. ("FirstEnergy"), which is acting as financial advisor to the Independent Committee, has provided an opinion to the effect that, as of the date of the opinion and based upon and subject to the limitations and qualifications therein, the Consideration to be received by the shareholders (excluding Oando PLC and the Institutional Shareholders), is fair, from a financial point of view, to the shareholders (excluding Oando PLC and the Institutional Shareholders). FirstEnergy has also prepared and delivered a formal valuation of the Common Shares under the supervision of the Independent Committee as contemplated by Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). FirstEnergy concluded that, subject to the assumptions, qualifications and limitations provided in the formal valuation, that the fair market value of an OER common share is in the range of CDN\$0.10 to CDN\$0.50 as at the date of the formal valuation. The selection of FirstEnergy as independent valuator, and the assessment of its qualifications and independence, was made by, and the valuation was prepared under the supervision of, the Independent Committee.

The implementation of the Plan of Arrangement will be subject to approval by the holders of the affected securities at a special meeting (the "Special Meeting") expected to be held on February 25, 2016. The implementation of the Plan of Arrangement will be subject to approval by 66<sup>2</sup>/<sub>3</sub>% of the votes cast by holders of Common Shares. Although the transaction will constitute a "business combination" for the purposes of MI 61-101, an exemption from the "majority of the minority" approval is available because Oando PLC holds either directly or indirectly more than 90% of the Common Shares. Oando PLC is entitled to, and pursuant to the Arrangement Agreement, covenanted to vote or cause to be voted all Common Shares that it controls in favour of the special resolution approving the Plan of Arrangement to be considered at the Special Meeting (the "Arrangement Resolution"). Accordingly, approval of the Arrangement Resolution is expected. The transaction also will be subject to applicable regulatory approvals and certain closing conditions customary in transactions of this nature.

The Arrangement Agreement provides for, among other things, a non-solicitation covenant on the part of the Company (subject to customary fiduciary out provisions). The Arrangement Agreement also provides the Purchaser with a "right to match."

The terms and conditions of the proposed transaction will be disclosed in an information circular that will be mailed in February 2016 to the securityholders of OER. It is anticipated that the transaction, if approved by OER shareholders and the Court, will be completed by the end of February 2016. The completion of the transaction is not dependent on any approval from the optionholders, share unitholders or warrant holders of the Company.

The completion of the Plan of Arrangement will be subject to, among other things, approval by the syndicate of lenders in OER's US\$450 million senior secured facility.

Cassels Brock & Blackwell LLP and Stikeman Elliott LLP are acting as legal counsel to OER and the Independent Committee, respectively. Argentil Capital Partners Limited is acting as financial advisor, and Norton Rose Fulbright LLP is acting as legal counsel, to the Purchaser and Oando PLC.

Copies of the Arrangement Agreement, the information circular for the Special Meeting and certain related documents will be filed with Canadian securities regulators and will be available under the Company's profile on the Canadian SEDAR website at [www.sedar.com](http://www.sedar.com).

#### About Oando Energy Resources Inc. (OER)

OER currently has a broad suite of producing, development and exploration assets in the Gulf of Guinea (predominantly in Nigeria). Average production for OER in the third quarter of 2015 was 53,169 boe/d.

#### Cautionary Statement

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

#### Forward-looking statements:

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. In particular, this news release contains forward-looking statements relating to intended acquisitions.

Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Company can give no assurance that such statements and information will prove to be correct. Since forward-looking statements and information 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. Forward-looking statements are subject to a variety of risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation: the Arrangement Agreement may be terminated in certain circumstances; general business, economic, competitive, political, regulatory and social uncertainties; risks related to factors beyond the control of the Purchaser, Oando PLC or the Company; foreign countries' regulatory requirements; risks related to certain directors and executive officers of the Company possibly having interests in the Arrangement Agreement that are different from other Shareholders; risks that other conditions to the consummation of the Arrangement are not satisfied; global economic climate; dilution; ability to complete acquisitions; environmental risks; community and non-governmental actions; and regulatory risks. This list is not exhaustive of the factors that may affect any of forward-looking statements of the Company. Accordingly, readers should not place undue reliance on the forward-looking statements.

Additional information on these and other factors that could affect the Company's financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)) under the Company. The forward-looking statements and information contained in this news release are made as of the date hereof and the Company 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.

SOURCE [Oando Energy Resources Inc.](#)

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