

# Junex Inc. Determines That Most Recent Utica Offer Does Not Constitute Superior Proposal

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QUEBEC CITY, Aug. 02, 2018 - [Junex Inc.](#) ("Junex") (TSXV:JNX) announces that it has determined that the unsolicited offer announced on July 31, 2018 from Utica Resources Inc. ("Utica") to acquire all of the outstanding common shares of Junex or, alternatively, 50% of such shares not already controlled by an affiliate of Utica (the "Utica Offer") does not constitute a "Superior Proposal" under the arrangement agreement dated June 8, 2018 (the "Arrangement Agreement") between Junex and [Cuda Energy Inc.](#) ("Cuda"). That determination follows a comprehensive review of the Utica Offer by the board of directors of Junex (the "Board") and its special committee, with the benefit of reports and presentations from financial advisors Eight Capital and KPMG LLP, Junex's proxy solicitation firm D.F. King and Junex's management, as well as the advice of legal counsel.

Throughout the process that led to the conclusion of the Arrangement Agreement and the Board's determination that the arrangement with Cuda is superior to the Utica Offer, the Board has considered both financial and strategic factors in weighing the various options available to it. The Board remains of the view that the reasons for recommending the Arrangement Agreement described in Junex's press release of July 6, 2018 remain applicable and appropriate in the circumstances and that the arrangement with Cuda is in the best interests of Junex and all its stakeholders. In addition to those considerations, and notwithstanding the consideration offered by Utica, the reasons for which the Board is of the view that the Utica Offer is not a Superior Proposal under the Arrangement Agreement include the following:

- the partial acquisition option of the Utica Offer, under which Utica would acquire 50% of the Junex shares not already held by an affiliate of Utica at a price of \$0.55 each, would give a single shareholder control of a majority of Junex shares, thereby significantly reducing liquidity for the remaining shareholders while giving the majority shareholder very significant influence over Junex's business and governance. Moreover, it would focus Junex's business exclusively on its existing Quebec assets, without offering any diversification to other jurisdictions;
- the full acquisition option of the Utica Offer, under which all of Junex's shares would be acquired at a price of \$0.50 each, would crystallize the cash value of Junex's shares at that price, depriving Junex's shareholders of any future upside associated with future development of Junex's Galt project and shale gas assets;
- the arrangement with Cuda would significantly diversify Junex's portfolio of assets, allowing its shareholders to benefit from potential value created in respect of energy projects in three jurisdictions across two countries: Quebec, Alberta and Wyoming;
- market conditions have evolved since the announcement of the Arrangement Agreement on June 11, 2018. Most notably, the price of oil has increased by 7% since that date;
- the Arrangement Agreement offers more deal certainty, as there is a signed agreement in place with Cuda that has received overwhelming support from Junex's shareholders. To date, 98% of votes received in connection with Junex's special shareholder meeting to be held today have been cast in favour of the Arrangement Agreement.

For more information on the Arrangement Agreement, please see Junex's press release of June 11, 2018.

## About Junex Inc.

Junex is a Québec SME that seeks to be a catalyst in accessing Québec's oil and gas resources, while ensuring that their development becomes an important means of creating collective wealth for Québeckers. Junex's operations are conducted in a responsible manner, in strictest compliance with the rules, laws and regulations that govern oil and gas activities. To that end, every day it takes all measures to minimize the environmental impact of its activities.

**For further information please contact:**

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*This news release contains forward-looking statements. All statements other than statements of historical fact included in this release, are forward-looking statements that involve various risks and uncertainties and are based on forecasts of future operational or financial results, estimates of amounts not yet determinable and assumptions of management. In particular, forward-looking information included in this release includes (i) assumptions and expectations with regard to the transactions contemplated under the Arrangement Agreement (the "Transactions") and their completion and the anticipated benefits and advantages of the Transactions; (ii) the future prospects, including exploration potential, resulting from the Transactions and the ability to unlock value, (iii) production estimates and production growth rates, which assume accuracy of technical and geological information and analysis and may be impacted by unscheduled maintenance, labour and contractor availability; (iv) capital expenditures and other cash costs, which assume foreign exchange rates and accuracy of production estimates, and may be impacted by unexpected maintenance, the need to hire external resources and accelerated capital plans; (v) profits and free cash flow, which assume production and expenditure estimates and may be impacted by energy prices, production estimates, and the timing of payments, (vi) reserves and resources which are forward-looking statements by their nature involving implied assessment, and may be impacted by energy prices, future drilling results and operating costs and (vii) predictions as to the impact of gas extraction in the St. Lawrence lowlands. Risk factors that could prevent such forward-looking statements from being realized include ongoing permitting requirements and the ability to work with local populations and governments, the actual results of current exploration activities, market conditions, the availability and nature of alternative sources of energy, conclusions of economic evaluations and changes in project parameters as plans continue to be refined as well as future prices of energy. Although Junex and Cuda have attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.*

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