

Alvopetro Announces US\$15 Million Credit Facility

23.09.2019 | [CNW](#)

CALGARY, Sept. 23, 2019 - [Alvopetro Energy Ltd.](#) (TSX-V: ALV; OTCQX: ALVOF) ("Alvopetro") announces that we have entered into a US\$15 million Credit Agreement (the "Facility") with Cordiant Capital Inc. and its affiliates ("Cordiant").

The Facility is secured by all of Alvopetro's assets, matures three years from the first funding date (the "First Funding Date") and bears cash interest at a rate of 9.5% per annum, payable monthly. Upon repayment of any Facility amounts, Alvopetro will also make a payment of interest in kind at a rate of 3.0% per annum. The Facility contains certain customary financial and non-financial covenants. The First Funding Date, expected to occur in the first week of October, is subject to final registrations of security and normal funding conditions. Alvopetro will have access to up to US\$13 million of the Facility and the final US\$2 million will become available upon first production from our Caburé natural gas development. Amounts drawn under the Facility are repayable at maturity, however after the first anniversary, the Facility may be repaid in part or full at Alvopetro's option.

In connection with the financing, in addition to upfront transaction fees, Alvopetro is issuing 8,432,868 share purchase warrants to Cordiant (the "Bonus Warrants") and our financial advisers (the "Commission Warrants" and together with the Bonus Warrants, the "Warrants") under TSXV Policy 5.1 & #8211; Loans, Loan Bonuses, Finder's Fees and Commissions, subject to the approval of the TSX Venture Exchange. Each Warrant entitles the holder to purchase one common share of Alvopetro, at an exercise price of US\$0.60 per common share and the Warrants expire on September 20, 2022. The securities issued, including any shares issued upon exercise of the Warrants, are subject to a 4-month hold period from the date of initial issuance.

The net proceeds of the Facility will be used to fund: our recently drilled well on Block 57; the construction of the 11-kilometre Caburé Transfer Pipeline; Alvopetro's share of costs associated with the construction of the Gas Treatment Facility; Caburé unit development costs; Gomo development costs, including stimulation of our 183(1) well, our 8-kilometre Gomo pipeline extension and future drilling and completion activities and for general corporate purposes.

Cordiant is a private capital investor focused on investing in energy, telecoms, transport and agriculture (with a particular focus on Emerging Europe, Latin America and selected parts of Africa and Asia). Cordiant has its principal offices in Montreal, São Paulo and London.

Corey Ruttan, President and CEO stated "We are pleased to complete this transaction, one of our key stated milestones for 2019. This Facility provides the required financial resources through to first commercial natural gas sales and gives us flexibility to accelerate our medium-term growth objectives. Cordiant is an experienced emerging market lender and we look forward to building a strong relationship that can help support our longer-term strategy."

Updated Corporate Presentation

Alvopetro's updated corporate presentation is available at: <http://www.alvopetro.com/corporate-presentation>.

[Alvopetro Energy Ltd.](#)'s vision is to become a leading independent upstream and midstream operator in Brazil. Our strategy is to unlock the on-shore natural gas potential in the state of Bahia in Brazil, building off the development of our Caburé natural gas field and the construction of strategic midstream infrastructure.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the

policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Forward-Looking Statements and Cautionary Language. This news release contains "forward-looking information" within the meaning of applicable securities laws. The use of any of the words "will", "expect", "intend" and other similar words or expressions are intended to identify forward-looking information. More particularly and without limitation, this news release contains forward-looking information concerning the expected use of proceeds from the Facility, expected timing of the First Funding Date, plans relating to the Company's operational activities and expected timing of commencement of gas sales under Alvopetro's long-term gas sales agreement. The forward-looking statements are based on certain key expectations and assumptions made by Alvopetro, including but not limited to the timing of regulatory licenses and approvals, the success of future drilling, completion, recompletion and development activities, the outlook for commodity markets and ability to access capital markets, the performance of producing wells and reservoirs, well development and operating performance, general economic and business conditions, weather and access to drilling locations, the availability and cost of labour and services, environmental regulation, including regulation relating to hydraulic fracturing and stimulation, the ability to monetize hydrocarbons discovered, the regulatory and legal environment and other risks associated with oil and gas operations. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. Although Alvopetro believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Alvopetro can give no assurance that it will prove to be correct. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the operations or financial results of Alvopetro are included in our annual information form which may be accessed through the SEDAR website at www.sedar.com. The forward-looking information contained in this news release is made as of the date hereof and Alvopetro undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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