

ReconAfrica Announces Closing of C\$39 Million Underwritten Public Offering, led by C\$22 Million Strategic Investment from BW Energy

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CALGARY, July 31, 2024 - [Reconnaissance Energy Africa Ltd.](#) (the "Company" or "ReconAfrica") (TSXV: RECO) (OTCQX: RECAF) (Frankfurt: OXD) is pleased to announce that it has completed its previously announced C\$35 million underwritten public offering (the "Offering") of units of the Company (the "Units") at a price of C\$1.25 per Unit, and together with the partial exercise of the over-allotment option, for aggregate gross proceeds of approximately C\$38.8 million. BW Energy Limited ("BW Energy") (OSE: BWE) participated in the Offering by way of a strategic equity investment in the Company for C\$22 million (approximately US\$16 million), in connection with the strategic partnership with the Company.

The Offering was completed pursuant to an underwriting agreement dated July 18, 2024 entered into between the Company and a syndicate of underwriters led by Research Capital Corporation as the lead underwriter and sole bookrunner (the "Lead Underwriter"), on behalf of a syndicate of underwriters, including Canaccord Genuity Corp. and Haywood Securities Inc. (together with the Lead Underwriter, the "Underwriters").

The Company issued an aggregate of 30,944,000 Common Shares (as defined below) and 31,844,600 Warrants (as defined below) pursuant to the Offering. Each Unit consists of one common share in the capital of the Company (each, a "Common Share") and one common share purchase warrant of the Company (each, a "Warrant"). The Warrants will commence trading on the TSX Venture Exchange ("TSXV") under the symbol "RECO.WT" on or about August 6, 2024, subject to final TSXV acceptance.

Each Warrant entitles the holder to acquire one Common Share at a price of C\$1.75 until July 31, 2026. In the event that, at any time four months and one day after the date of issuance and prior to the expiry date of the Warrants, the moving volume weighted average trading price of the Common Shares on the TSXV, or other principal exchange on which the Common Shares are listed, is equal to or greater than C\$3.70 for any 20 consecutive trading days, the Company may, within 10 business days of the occurrence of such event, deliver a notice to the holders of Warrants accelerating the expiry date of the Warrants to the date that is 30 days following the date of such notice (the "Accelerated Exercise Period"). Any unexercised Warrants shall automatically expire at the end of the Accelerated Exercise Period.

The net proceeds from the Offering are expected to be used for drilling activities, mobilization/demobilization and site costs, geology and geophysics, 3D seismic planning and acquisition, and working capital as outlined in the Company's prospectus supplement dated July 18, 2024.

The Offering was completed by way of a prospectus supplement to the Company's short form base shelf prospectus dated February 29, 2024 filed in all of the provinces and territories of Canada, and the Units were sold outside of Canada on a private placement basis. Copies of the prospectus supplement and the base shelf prospectus are available under the Company's profile on SEDAR+ at www.sedarplus.ca.

The Underwriters received a cash commission equal to 6.0% of the gross proceeds of the Offering (other than from the sale of Units to a strategic purchaser, BW Energy Limited, for which a 4% cash commission was paid, and purchasers on the president's list, for which a 3.0% cash commission was paid). In addition, the Underwriters were issued an aggregate of 943,244 broker warrants (the "Broker Warrants"), equal to 6.0% of the number of Units sold under the Offering (other than with respect to those sold to a strategic purchaser, BW Energy Limited, for which Broker Warrants equal to 1.0% of the number of Units sold to such

purchaser were issued, and purchasers on the president's list, for which no Broker Warrants were issued). In addition, the Underwriters received an advisory fee of \$8,835 and 6,300 advisory broker warrants on the same terms as the Broker Warrants. Each Broker Warrant entitles the holder to acquire one Common Share at a price of C\$1.25 until July 31, 2026.

Directors of the Company participated in the Offering and were issued an aggregate of 26,000 Units. Such participation in the Offering constitutes a "related party transaction" as defined in Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("61-101"). The Offering is exempt from the formal valuation and minority shareholder approval requirements of 61-101 as neither the fair market value of the securities issued to related parties nor the consideration for such securities exceed 25% of the Company's market capitalization. The Company did not file a material change report 21 days prior to closing of the Offering as the participation of insiders of the Company in the Offering had not been confirmed at that time and the shorter time period was necessary in order to permit the Company to close the Offering in a timeframe consistent with usual market practice for transactions of this nature.

This press release is not an offer to sell or the solicitation of an offer to buy the securities in the United States or in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to qualification or registration under the securities laws of such jurisdiction. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from U.S. registration requirements and applicable U.S. state securities laws.

About ReconAfrica

ReconAfrica is a Canadian oil and gas company engaged in the opening of the newly discovered deep Kavango Sedimentary Basin in the Kalahari Desert of northeastern Namibia and northwestern Botswana, where the Company holds petroleum licenses comprising ~8 million contiguous acres. In all aspects of its operations ReconAfrica is committed to minimal disturbance of habitat in line with international standards and will implement environmental and social best practices in all of its project areas.

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

Cautionary Note Regarding Forward-Looking Statements:

Certain statements contained in this press release constitute forward-looking information under applicable Canadian, United States and other applicable securities laws, rules and regulations, including, without limitation, statements with respect to the expected use of proceeds from the Offering, the timing and listing of the Warrants on the TSXV, any potential acceleration of the expiry date of the Warrants and the Company's commitment to minimal disturbances in line with international best standards and its implementation of environmental and social best practices in all of its project areas. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "potential", "estimated", "significant" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on ReconAfrica's current beliefs or assumptions as to the outcome and timing of such future events. There can be no assurance that such statements will prove to be accurate, as the Company's actual results and future events could differ materially from those anticipated in these forward-looking statements as a result of the factors discussed in the "Risk Factors" section in the Company's annual information form dated July 29, 2024, available under the Company's profile on SEDAR+ at www.sedarplus.ca. Actual future results may differ materially. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to ReconAfrica. The forward-looking information contained in this release is made as of the date hereof and ReconAfrica undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

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