

# Gear Energy announces transformative transaction

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Torys is acting as counsel to ATB Securities as financial advisor to the board of directors of Gear Energy with a team led by Janan Paskaran.

On December 2, 2024, Gear Energy Ltd. ("Gear") announced that it entered into an arrangement agreement with a large publicly traded company (the "Purchaser") pursuant to which the Purchaser will acquire all of the issued and outstanding common shares of Gear. The transaction will exclude Gear's Central Alberta, Southeast Saskatchewan, and Tucker Lake properties (collectively, the "Newco Assets"), which will be transferred to a newly formed entity ("Newco"), for C\$110 million in cash, subject to adjustments.

The transaction will be accomplished by way of a statutory plan of arrangement under the *Business Corporations Act* (Alberta). Under the terms of the arrangement, each shareholder of Gear will receive C\$0.607 in total consideration per share, consisting of, at the shareholder's election:

- i. C\$0.607 in cash per share held in Gear;
- ii. 0.3035 common shares in Newco per share of Gear; or
- iii. a combination thereof, subject to proration and consideration caps set out in the arrangement.

Gear will transfer the Newco Assets to Newco with the remainder of its properties, consisting of its Lloydminster heavy and medium oil assets (other than the Tucker Lake property) remaining with Gear which will be acquired by the Purchaser. Newco will be led by the existing management team and board of directors of Gear.

ATB Securities Inc. provided a fairness opinion to Gear's board of directors that the consideration to be received by its shareholders under the arrangement is fair, from a financial point of view.

The transaction is expected to close in late January or February 2025, subject to the receipt of all shareholder, stock exchange, court and regulatory approvals and the satisfaction of other customary closing conditions.

Further information can be found on Newsfile's [website](#).

[Gear Energy](#) is an oil focused publicly traded exploration and production company headquartered in Calgary, Alberta.

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