

CALGARY, May 8, 2015 /CNW/ - [Connacher Oil and Gas Ltd.](#) (CLL &#8211; TSX; "Connacher" or the "Company") announced today that it has closed the previously announced recapitalization transaction (the "Recapitalization").

The Recapitalization included, among other things:

- The exchange of approximately C\$1.0 billion of Connacher's debt for common shares of Connacher, including accrued and unpaid interest;
- The issuance by Connacher of US\$35 million aggregate principal amount of new second lien convertible notes due August 31, 2018 (the "New Convertible Notes");
- The Company will have the option to accrue and compound interest payments due on the New Convertible Notes;
- Reduction of annual interest expense by approximately C\$80 million;
- Amendments to the existing First Lien Term Loan Credit Agreement dated May 23, 2014 to increase the total commitments to provide for loans in the aggregate principal amount of the US\$24,770,869.46 (equivalent of C\$30 million) to replace Connacher's existing revolving credit facility; and
- The consolidation of the Company's common shares on the basis of 800 existing common shares for 1 new common share.

Trading in the Company's common shares on a post-consolidation basis is expected to occur on or about May 13, 2015 and the common shares will trade under a new trading symbol: TSX-CLC. Following the consolidation and the Recapitalization, the total issued and outstanding common shares of the Company will be approximately 28,309,390.

In connection with the Recapitalization, Mrs. Kennedy and Messrs. Cassidy, Mihaichuk and Ogle have tendered their resignations as directors of the Company effective May 8, 2015. The Company would like to thank these directors for their contributions. The following individuals have been appointed to the Board of Directors: Eugene Davis, Brent de Jong and Scott Pearl.

"I would like to sincerely thank Jennifer Kennedy, Leigh Cassidy, Garry Mihaichuk and Kelly Ogle for their significant contributions to Connacher. The completion of this Recapitalization is a significant step in the continued growth of the Company and will position Connacher to pursue strategic opportunities in the future," said Chris Bloomer, Chief Executive Officer.

Mr. Davis has served as a director of Lumenis since April 2007. Since 1997, Mr. Davis has been Chairman and Chief Executive of Pirinate Consulting Group, LLC, a privately-held consulting firm specializing in turn-around management, merger and acquisition consulting, hostile and friendly takeovers and strategic planning advisory services. From 1998 to 1999, he served also as Chief Operating Officer of Total-Tel USA Communications, Inc., a telecommunications provider. Prior thereto, Mr. Davis was a director of Emerson Radio Corp. from 1990 to 1997, where he also served in various executive positions, including Vice Chairman, President and Executive Vice President. From 1996 to 1997, Mr. Davis served as Chief Executive Officer and a director (and as Vice Chairman in 1997) of Sports Supply Group, Inc. a distributor of sporting goods and athletic equipment. Mr. Davis holds a bachelor's degree in international politics from Columbia College, a master's degree in international law and organization from the School of International Affairs of Columbia University and a Juris Doctor degree from Columbia University School of Law.

Mr. de Jong founded Zaff in 2011 after leaving Ashmore Investment Management Ltd., an emerging market fund manager with \$65.0 billion of assets under management. While at Ashmore (2002-2011), he headed special situations and infrastructure investments and served on the firm's five person investment committee. Mr. de Jong was seconded to AEI in 2006 where he served as Chief Executive Officer and Vice Chairman of the Board of Directors. Mr. de Jong led the consortium of shareholders that founded AEI in 2005 and negotiated the break up and sale of AEI's assets in 2011 for an aggregate price of \$4.8 billion. Previously, Mr. de Jong worked at JPMorgan in its financial institutions group in London, where he focused on mergers and acquisitions in the emerging markets of Europe, the Middle East and Africa, and in the structured finance group in New York. He has been a board member of several companies, including ETH, a Brazilian ethanol production company of 1.8 billion liters per annum; Asia Genco, a 3,000 MW independent power producer in India; and Largo, a Vanadium mining company in the Americas. Mr. de Jong is currently on the board of Arcapita, a Middle Eastern investment manager with holdings throughout Asia, the Middle East, Europe, and the United States. Mr. de Jong holds a bachelor's degree in economics from Georgetown University.

Mr. Pearl is the founder of SGP-Invest LLC, a boutique investment firm focused on providing capital and advisory services. Mr. Pearl currently serves on the Board of Directors and has been a founding shareholder for portfolio investments that include Cleopatra Resources, a natural gas fueling infrastructure company, Altex Ltd., a Canadian-based energy transportation provider and BipSync, a developer of investment management research software infrastructure. Mr. Pearl was previously a founding shareholder and served on the Board of Directors of Flex LNG, a publicly-traded, Norwegian-based floating LNG developer. Prior to founding SGP-Invest LLC, Mr. Pearl managed a portfolio of public and private equity and credit securities primarily focused on global energy and infrastructure companies for Seneca Capital &#8211; an event-driven multi-strategy investment fund based in New York. Before joining Seneca, Mr. Pearl was a Vice President at Credit Suisse and published equity research for electric utilities. Previously, Mr. Pearl served as an Investment Banker providing capital raising services as well as strategic advice to energy companies for Credit Suisse First Boston as well as Lehman Brothers. Mr. Pearl began his career in project finance focused on the electric power sector for Chase Securities, Inc. Mr. Pearl earned a Bachelor of Science in Economics with a Concentration in Finance from the Wharton School of Business at the University of Pennsylvania.

The Corporation's Board of Directors is now comprised of Chris Bloomer, Eugene Davis, Brent de Jong, Daryl Gilbert and Scott Pearl.

## Operational Update

Connacher provides the following operational update for the first quarter 2015 ("Q1 2015").

Connacher's Great Divide production averaged 15,100 bbl/d in Q1 2015, based on field estimates, representing a 12% increase from Q1 2014 (13,433 bbl/d).

In light of the continuing low oil prices, the Company remains focused on cost reduction measures. Connacher will continue to restrict capital spending to maintenance capital requirements and is focused on achieving cost savings in all areas of its operations.

The Company continues to delay completion of and tie-in of the SAGD+® process commercial project and the mini-steam expansion project.

## About Connacher

Connacher is a Calgary-based in situ oil sands developer, producer and marketer of bitumen. The Company holds a 100 per cent interest in approximately 440 million barrels of proved and probable bitumen reserves and operates two steam assisted gravity drainage facilities located on the Company's Great Divide oil sands leases near Fort McMurray, Alberta.

SOURCE [Connacher Oil and Gas Ltd.](#)

## Contact

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