

## **Panterra announces closing of previously announced acquisition of Strategic Oil & Gas assets and new credit facility**

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CALGARY, July 31, 2014 /CNW/ - PanTerra Resource Corp. ("**PanTerra**" or the "**Corporation**") (TSX VENTURE: PRC) is pleased to announce that it has closed its previously announced acquisition of certain natural gas assets located in the Western Canadian foothills areas of Lynx/Palliser/Minnow and Findley/Copton/Ojay in Alberta and British Columbia, effective April 1, 2014, for total consideration of \$120.0 million, subject to adjustments (the "**Acquisition**"). The Acquisition adds approximately 5,900 to 6,000 BOE per day (99.8% natural gas) of production to the Corporation's portfolio.

The Acquisition was financed using proceeds from a bought-deal equity financing (the "**Offering**") of subscription receipts of the Corporation (the "**Subscription Receipts**") for gross proceeds of \$130.0 million with a syndicate of underwriters co-led by Desjardins Capital Markets and TD Securities Inc. and including Raymond James Ltd., Beacon Securities Limited, Haywood Securities Inc., CIBC World Markets Inc. and Clarus Securities Inc. Desjardins Capital Markets also acted as financial advisor to PanTerra with respect to the Acquisition. In addition, a portion of the net proceeds of the Offering are intended to be used by the Corporation to fund the purchase of its previously announced acquisition of certain natural gas assets located in the Western Canadian foothills areas of Copton and Narraway in Alberta, to fund its ongoing exploration and development activities on its existing and newly acquired properties, for future potential acquisitions, if any, and for general corporate purposes.

Each Subscription Receipt entitles the holder thereof to receive one common share of the Corporation (a "**Common Share**"), without any further payment or action on the part of the holder, upon the earlier of: (i) four months and a day after the closing of the Subscription Receipt financing, being October 28, 2014; and (ii) upon the issuance of a final passport decision document evidencing a receipt on behalf of each of the securities regulatory authorities in each of the provinces of Canada in which Subscription Receipts were sold (the "**Qualifying Provinces**"), pursuant to Multilateral Instrument 11-102 – *Passport System* (the "**Final Receipt**") for a final prospectus (the "**Prospectus**") qualifying the Common Shares underlying the Subscription Receipts.

The Corporation has agreed to use its reasonable commercial efforts to file the Prospectus qualifying the Common Shares to be issued upon the exercise of the Subscription Receipts in each of the Qualifying Provinces and obtain the Final Receipt within 30 days from the date hereof. The Subscription Receipts are subject to a four (4) month statutory restricted resale period expiring on October 28, 2014.

In connection with the closing of the Acquisition, the Corporation's existing credit facilities were cancelled and the Corporation entered into a new credit agreement made as of July 31, 2014 with a Canadian chartered bank with respect to new credit facilities consisting of: (i) a \$35 million committed secured, extendible, 364-day revolving one plus one year term facility; and (ii) a \$20 million committed secured, extendible 364-day revolving one plus one year term operating facility.

The Corporation is also pleased to announce that the location of its head office has been moved to the following address: 400, 540-5th Avenue S.W. Calgary, AB, T2P 0M2.

**About PanTerra**

PanTerra is a junior public oil and gas company listed on the TSX Venture Exchange under the symbol "PRC", with conventional and unconventional assets in Western Canada. The technical team has worked together for over a decade in the Foothills Region of Western Canada, through two successful, publicly traded companies. The unique skills and repeat success at exploiting a complex, potentially prolific play type are fundamental ingredients for a successful growth-oriented company in Western Canada. Corporation information can be found at: [www.panterraresource.com](http://www.panterraresource.com).

**This news release does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States, in any province or territory of Canada or in any other jurisdiction. The securities to be offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws and may not be offered or sold in the United States absent registration or an available exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. There shall be no sale of the securities in any jurisdiction in which an offer to sell, a solicitation of an offer to buy or a sale would be unlawful.**

**NEITHER 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 RELEASE.**

### **Caution Respecting BOE**

In this news release, the abbreviation BOE means a barrel of oil equivalent derived by converting gas to oil in the ratio of 6 thousand cubic feet ("Mcf") of gas to 1 barrel ("bbl") of oil (6 Mcf:1 bbl). BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf:1 bbl, utilizing a conversion ratio on a 6 Mcf of gas to 1 bbl of oil basis may be misleading as an indication of value.

### **SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION**

This press release contains certain statements or disclosures relating to PanTerra that are based on the expectations of PanTerra as well as assumptions made by and information currently available to PanTerra which may constitute forward-looking information under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that PanTerra anticipates or expects may, or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by terms such as "forecast", "future", "may", "will", "expect", "anticipate", "believe", "potential", "enable", "plan", "continue", "contemplate", "pro-forma", or other comparable terminology. In particular, this press release makes reference to the issuance of Common Shares issued on the exercise of the Subscription Receipts and the filing of the Prospectus to qualify the Common Shares issued on the exercise of the Subscription Receipts and the use of proceeds of the Offering. Readers are cautioned that there is no assurance that the filing of the Prospectus referenced herein will proceed or that the Corporation will use the proceeds of the Offering as disclosed herein. Certain conditions must be met before the Prospectus may be filed. Such conditions include the receipt of all necessary regulatory approvals. There is no assurance that the required approvals will be received and there is therefore no assurance that the Prospectus will be filed in the time frame anticipated or at all. If the Final Receipt is not obtained, this could have an adverse effect on the Corporation. Many factors could cause the performance or achievement by PanTerra to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors include the failure to obtain the required approvals. Readers are

cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement. The Corporation is not under any duty to update any of the forward-looking statements after the date of this press release or to conform such statements to actual results or to changes in the Corporation's expectations and the Corporation disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

SOURCE PanTerra Resource Corp.

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