

WFW ADVISES TENAZ ON ALL SHARE COMBINATION WITH SDX

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Watson Farley & Williams (“WFW”) has advised TSX-listed Tenaz Energy Corp. (“Tenaz”) on its all share combination (the “Combination”) with AIM-listed SDX Energy PLC (“SDX”). The Combination will be implemented by way of a court-sanctioned scheme of arrangement between SDX and its shareholders, with the former’s entire share capital being acquired by Tenaz. To effect the Combination, Tenaz is required to seek the approval of its shareholders to issue the new Tenaz shares. The Combination is also subject to regulatory approvals.

Under the terms of the Combination, each SDX shareholder will be entitled to receive 0.075 new Tenaz shares for each 1 SDX share. The Combination represents a value of approximately 10.3p per SDX share based on a Tenaz TSX Closing Price of C\$2.19 per Tenaz share on 24 May 2022. The Combination values the share capital of SDX at approximately £21.4m and represents a premium of 24% to the SDX Closing Price on AIM of 8.25p per share on 24 May 2022. Immediately following completion of the transaction, existing SDX and Tenaz shareholders will own approximately 36% and 64% of the issued and outstanding shares of the Combination respectively.

Headquartered in Calgary, Canada, Tenaz is a public energy company focussed on the acquisition and sustainable development of international oil and gas assets capable of generating significant free cash flow.

SDX is an AIM-listed, international oil and gas exploration, production and development company, headquartered in London with a focus on Morocco and Egypt. SDX listed on the London Stock Exchange in May 2016.

The WFW London Corporate team advising Tenaz was led by WFW Mining & Commodities Group Head Jan Mellmann, assisted by Senior Associate David Bath and Associate Shaun Young. Partners Devan Khagram and Tom Jarvis advised on the employment and tax aspects of the transaction respectively.

Jan commented: “We were very pleased that Tenaz asked us to assist them on this important strategic transaction, demonstrating both equity capital markets expertise and experience advising on MENA region oil and gas transactions”.

John Balkwill, Vice-President of Corporate Development for Tenaz, said: “We would like to thank WFW for its assistance in this well-executed and significant transaction for Tenaz shareholders”.

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Leading Canadian law firm Torys advised Tenaz on Canadian and US law matters, led by Partners Peter Danner and Michael Pedlow and Senior Associate Jennifer Baugh. Shalakany and ADNA Law acted as Tenaz's Egyptian and Moroccan counsel respectively.

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