



ASX RELEASE

7 February 2014

## Aurora enters into agreement for proposed acquisition by Baytex for A\$4.10 cash per share

- **TSX and NYSE listed Baytex proposes to acquire 100% of Aurora via a Scheme of Arrangement ('Scheme')**
- **Scheme price of A\$4.10 cash per Aurora share ('Scheme Consideration'), implying a market capitalisation of A\$1,840 million**
- **The Scheme Consideration represents a 52% premium to Aurora's one-week VWAP to 6 February 2014, being the last trading day before execution of the Scheme Implementation Deed, and a 46% premium to Aurora's one-month VWAP**
- **Aurora Directors unanimously recommend Aurora shareholders vote in favour of the Scheme, and intend to vote all shares that they control in favour of the Scheme, in the absence of a Superior Proposal and subject to an Independent Expert concluding that the Scheme is in the best interests of shareholders**
- **The Scheme is subject to customary conditions**

The Directors of Aurora Oil & Gas Limited (ASX:AUT, TSX:AEF) ('Aurora') are pleased to announce that Aurora has today entered into a Scheme Implementation Deed ('SID') with Baytex Energy Corp. ('Baytex'). If the Scheme is implemented, Baytex will, via a wholly owned subsidiary, acquire 100% of Aurora for A\$4.10 cash per share ('Scheme Consideration'). Implementation of the Scheme is subject to the satisfaction of a number of customary conditions.

The Scheme Consideration of A\$4.10 per Aurora share represents:

- a 52% premium to A\$2.69, being the volume weighted average price ('VWAP') of Aurora shares on the ASX for one week up to and including 6 February 2014, being the last trading day before announcement of the SID ('Last Trading Date')
- a 46% premium to A\$2.81, being the VWAP of Aurora shares for one month up to and including the Last Trading Date
- a 41% premium to A\$2.90, being the VWAP of Aurora shares for three months up to and including the Last Trading Date
- a 34% premium to A\$3.06, being the VWAP of Aurora shares for six months up to and including the Last Trading Date

The Directors of Aurora have considered the advantages and disadvantages of the proposed Scheme and, in the absence of a Superior Proposal and subject to an Independent Expert's report concluding that the Scheme is in the best interests of Aurora shareholders, recommend that Aurora shareholders vote in favour of the Scheme, and intend to vote all Aurora shares that they control in favour of the Scheme, which amount to approximately 5.5% of the total current Aurora shares on issue.

**Aurora Oil & Gas Limited** ABN 90 008 787 988

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Aurora Executive Chairman, Jon Stewart said today:

“While as a Board we believe Aurora is well positioned and are confident in its future growth outlook, the Board has undertaken a thorough assessment of the proposal from Baytex and believes it represents an attractive opportunity for shareholders to realise value at a significant premium to the current share price.”

The proposed Scheme is subject to customary conditions, being Aurora shareholder approval, court approval of the Scheme, approval from the Australian Foreign Investment Review Board and under US Hart-Scott-Rodino legislation, no restraints or prescribed occurrences and no material adverse change. A copy of the executed SID has been lodged with the ASX and is also available on Aurora’s website. The SID includes the conditions to the Scheme, exclusivity arrangements (subject to standard fiduciary carve outs), termination rights, as well as the details regarding the circumstances in which Aurora may be required to pay a break fee of A\$18.8 million to Baytex.

A Scheme booklet containing information relating to the proposed Scheme, an Independent Expert’s Report opining on whether the proposed Scheme is in the best interests of Aurora shareholders, reasons for the Directors’ recommendation and details of the Scheme meeting is expected to be sent to Aurora shareholders in late March/early April 2014.

#### **Timetable**

An indicative timetable of the key dates for the transaction is outlined in the following table:

<b>Event</b>	<b>Indicative date</b>
First Court Date	End March/early April 2014
Scheme booklet dispatched to Aurora shareholders	End March/early April 2014
Scheme Meeting Held	End April/early May 2014
Second Court Date	Early May 2014
Implementation Date	Mid/late May 2014

Credit Suisse and Goldman Sachs are acting as Aurora’s financial advisers and Gilbert+Tobin are acting as legal adviser.

**--ENDS--**

#### **For further information, please contact:**

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#### **About Aurora**

Aurora is an Australian and Toronto listed oil and gas company active in the over-pressured liquids rich region of the Eagle Ford Shale in Texas, United States. Aurora is engaged in the development and production of oil, condensate and natural gas in Karnes, Live Oak and Atascosa counties in South Texas. Aurora participates in over 80,200 highly contiguous gross acres in the heart of the trend, including over



22,200 net acres within the liquids rich zones of the Eagle Ford. Aurora recently announced an approximate 14,000 net acre position in the Eaglebine play of East Texas.

#### **About Baytex**

Baytex Energy Corp. is a dividend-paying oil and gas corporation based in Calgary, Alberta. The company is engaged in the acquisition, development and production of crude oil and natural gas in the Western Canadian Sedimentary Basin and in the Williston Basin in the United States. Approximately 89% of Baytex's production is weighted toward crude oil. Baytex pays a monthly dividend on its common shares which are traded on the Toronto Stock Exchange and the New York Stock Exchange under the symbol BTE.

#### **Cautionary and Forward Looking Statements**

*Statements in this press release reflect management's expectations relating to, among other things, expected timing for certain future events and expectations in respect of the proposed Scheme which are forward-looking statements, and can generally be identified by words such as "will", "expects", "intends", "believes", "estimates", "anticipates" or similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These statements are not historical facts but instead represent management's expectations, estimates and projections regarding future events.*

*Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include risks related to, among other things: receipt of all necessary regulatory or shareholder approvals required to complete the Scheme and the satisfaction or waiver of the conditions to completion of the Scheme.*

*All of the forward-looking information in this press release is expressly qualified by these cautionary statements. Forward-looking information contained herein is made as of the date of this document and Aurora disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by law.*