

Terra Nova Minerals Inc.

TSX VENTURE: TGC

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Terra Nova Minerals Inc. Announces the Proposed Acquisition of Australian Energy Company Limited

- Terra Nova is to acquire all of the share capital of Australian Energy Company Limited, which owns 90.91% of Australian-American Energy Company LLC.
- Terra Nova is also to acquire the remaining 9.09% of Australian-American Energy Company (AAEC), thus giving the Company 100% of AAEC
- AAEC has a 70 year lease agreement with the Crow Indian Nation in respect of Many Stars Coal To Liquids Project to be located on the Crow Indian Reservation in southeastern Montana
- Many Stars Project property has a National Instrument 43-101 compliant inferred coal resource of 849 million tonnes based on a report received on 11 June 2009 from the John T Boyd Company of Denver, Colorado

TORONTO, ONTARIO--(Marketwire - July 22, 2009) - Terra Nova Minerals Inc. ("Terra Nova" or the "Company") (TSX VENTURE:TGC). The directors of Terra Nova are pleased to announce that the Company has entered into a support agreement (the "Support Agreement") dated July 22, 2009 with Australian Energy Company Limited ("AEC"), an unlisted Australian public company, pursuant to which Terra Nova has agreed to acquire (the "Bid Acquisition") all of the issued and outstanding ordinary shares of AEC through a takeover conducted under Australian law.

AEC owns 90.91% of Australian-American Energy Company, LLC ("AAEC") through its wholly-owned subsidiary Australian-American Energy Group, LLC. Terra Nova has entered into a unit purchase agreement (the "UPA") with Brian Zarker, the owner of the other 9.09% interest in AAEC, pursuant to which Terra Nova will acquire (the "UPA Acquisition") Mr. Zarker's interest in AAEC on the same terms as the Bid Acquisition. AAEC is a party to a master lease agreement (the "Lease Agreement") with the Crow Nation in respect of lands and mineral rights owned by the Crow Nation in Montana, USA. Pursuant to the Lease Agreement and related agreements, AAEC and the Crow Nation have agreed to collaborate to jointly develop the Many Stars Coal To Liquids project.

The Bid Acquisition and the UPA Acquisition (collectively, the "Acquisition") are expected to constitute a Reverse Takeover ("RTO") of the Company as defined in the policies of the TSX Venture Exchange.

Following Completion of the RTO the company will change its name to Great Western Energy Inc.

The Project

The Many Stars CTL project is located on the Crow Indian Reservation in southeastern Montana. There are existing coal mines to the North and South of the Resource. A National Instrument 43-101 compliant report dated 11 June 2009 on the Many Stars property has been prepared by John T Boyd Company of Denver, Colorado and can be viewed on the Company's website or using SEDAR site at www.sedar.com.

As described in the report, the estimated inferred coal resource within the Many Stars Project area totals 936 million short tonnes (849 million tonnes) as shown below:

Resource Area	Inferred Resource (In-Place)	
	Short Tons (Millions)	Tonnes (Millions)
Tract I	347	315
Tract II	262	237
North	327	297
Total	936	849

Quoting the report "the existing data provides strong indications that a substantial amount of coal underlies the Many Stars Project Area, and further exploration and evaluation work is likely to substantially increase the amount and classification of reported coal resources."

Summary of the Proposed Reverse Takeover

Under the terms of the Support Agreement, the holders of AEC Shares will receive 2.6 common shares of the Company for each AEC ordinary share. There are currently 155,926,516 AEC ordinary shares issued and outstanding, which will result in the Company issuing approximately 405,408,942 common shares if all of the issued and outstanding AEC shares are tendered to the Company's bid. The bid is conditional on at least 75% of the AEC ordinary shares being tendered.

The terms of the UPA are equivalent with the Support Agreement, which will result in the Company acquiring Brian Zarker's interest in AAEC in exchange for the issuance of 40,540,894 common shares of the Company. Mr Allan Blood, the Chairman of AEC has agreed to accept the offer on behalf of associated entities in relation to 15.6% of the ordinary shares in AEC and Mr. Evan Edwards, the Finance Director of AEC, has agreed to accept the offer on behalf of associated entities, in relation to 2.6% of the ordinary shares in AEC. (The maximum percentage of AEC ordinary shares allowed to be subject to pre-offer acceptance agreements under Australian takeover law is 19.9%). The UPA provides that the acquisition of Mr. Zarker's 9.09% interest of AAEC will become automatic upon the Company's minimum bid conditions being achieved.

In connection with the completion of the Acquisition, the Company also intends to complete a private placement of up

to \$12,000,000 before expenses (the "RTO Financing"). The proceeds of the RTO Financing will be used principally to delineate an updated resource calculation for the Many Stars coal project.

There are currently 38,689,868 common shares of the Company issued. AEC has 144 shareholders and 155,926,516 shares on issue. Upon completion of the Acquisition (assuming the RTO Financing is fully subscribed), on both a basic and fully diluted basis the shareholders of AEC, Brian Zarker, the participants in the RTO Financing and the current Terra Nova shareholders will own approximately 67.05%, 6.71%, 19.85% and 6.39% of the Company, respectively.

Subject to receiving requisite shareholder approval, the Company intends to consolidate the issued and outstanding shares of the Company on a 10 old shares for 1 new share basis, such share consolidation to become effective immediately upon completion of the RTO Financing and the Acquisition.

No Non-Arm's Length Party (as that term is defined in the TSXV Policies) of the Company has any direct or indirect beneficial interest in AECL or is an insider of AECL, and there is no relationship between any Non-Arm's Length Party of the Company and any Non-Arm's Length Party of AEC.

Upon completion of the Acquisition, it is anticipated that the following persons will be appointed as directors of the Company: Allan Blood, Evan Edwards, Dick Lyon and Brian Zarker. Willie McLucas, Tom Allen and Grant Sawiak will remain as directors of the Company following completion of the Acquisition. In addition, it is expected that the following persons will be appointed to positions as executive officers of the Company: Allan Blood (Chairman), Willie McLucas (President), Dick Lyon (Executive Director and CEO) and Grant Sawiak (Secretary).

It is anticipated that following completion of the Acquisition, Gameday Enterprises Pty Ltd, which is associated with Mr. Allan Blood, will hold 12.71%, calculated on an undiluted basis, of the issued and outstanding common shares of the Company. No other corporation will hold more than 10% of the Company.

The Company will apply to The Toronto Stock Exchange for the listing of the resulting issuer upon completion of the acquisition.

Completion of the transaction is subject to a number of conditions, including but not limited to, TSX-V acceptance and disinterested shareholder approval. The transaction cannot close until the required shareholder approval is obtained.

Completion of the transaction will also be subject to the satisfaction or waiver of the conditions to the offer to AEC shareholders, including a sufficient number of acceptances of Terra Nova's offer being received from AEC shareholders. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Management Information Circular to be prepared in connection with the transaction, any information released or received with respect to the Acquisition may not be accurate or complete and should not be relied upon. Trading in the securities of Terra Nova should be considered highly speculative.

Commenting on the proposed acquisition, Mr Willie McLucas CEO of Terra Nova said "this is the culmination of over six months of work and represents an exciting acquisition for Terra Nova. The Many Stars project is not only a world ranking large scale resource but it offers the opportunity for shareholders to participate in a project offering sustained growth in the asset value of the project. I strongly encourage shareholders to support this initiative. I intend to vote for it with my personal shareholding."

Mr Allan Blood, Chairman of AEC and incoming Chairman of the Company said "I agree totally with the comments of Mr McLucas. We have been working on the Many Stars Project for two years and it represents part of the culmination of a previous twelve years on similar developments in Australia. We are excited by the scale of the resource, its potential for very serious incremental increase subject to appropriate geological development, and the technology routes that we propose to initially evaluate for the very substantial economic development of this project. I too will be enthusiastically recommending that the shareholders in AEC support this initiative and companies associated with both myself and our Finance Director intend to vote for this transaction."

ON BEHALF OF THE BOARD

William McLucas, Chairman and CEO

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

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