



Matt O'Malley <matthew.omalley@lgiresearch.com>

Dennison non-binding / Paul Wallace Negotiating on behalf of PXP Energy?

46 messages

Matt O'Malley <Matthew.OMalley@lgiresearch.com>

Mon, Nov 12, 2018 at 7:15 PM

To: Paul Wallace <pfwallace@msn.com>, Brett.Kagetsu@gowlingwlg.com, LGI Administrator <admin@lgiresearch.com>
Cc: Stefan.Heissner@de.ey.com, clint5841 <lyle@culver.ca>, riaz@sumarmanagement.com, Riaz Sumar <riazs@telusplanet.net>, Marc Adesso <Marc.Adesso@wallerlaw.com>, info@dmcl.ca, rburkart@dmcl.ca, dpc@forumenergy.com, dpcarlos@pxpenergy.com.ph, msil@moorestephens.com, admin@pxpenergy.com.ph, bcm@migalloslunalaw.com, bcmigallos@pxpenergy.com.ph, alexis.C.zaragoza@ph.ey.com, felice.persico@it.ey.com, edward.ho@cn.ey.com, FEC Information <info@fecresources.com>
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Paul

(Dan and Barbara, I trust you will weigh in as well):

Do you have the **authority to negotiate on behalf of PXP Energy**? When consuming the content of the attached email one can reasonably assume that you have the **authority to negotiate on behalf of PXP Energy**.

Paul, if you have the **authority to negotiate on behalf of PXP Energy**, did PXP Energy approve of the \$5 million you offered for 6.8% of Forum Energy? Did PXP Energy approve of a Forum Energy valuation of less than \$80 million?

--The market values PXP Energy at almost \$600 million.
--Dennis Uy values PXP Energy at almost \$450 million.
--Paul Wallace values PXP Energy at...

These numbers simply do not align well. If your \$5 million for 6.8% of Forum Energy is a legitimate number, both the market and Mr. Uy would have to believe that PXP Energy's stake in Forum Energy represents between 13% and 17% of the total value of PXP Energy.

Mr. Uy's (Dennison) term sheet with PXP is non-binding. If he reviewed your offer for 6.8% of Forum Energy he may drop out. I respectfully recommend that you connect with Manny, Dan, and Barbara and realign your buyout number for FEC Resources shares of Forum Energy. As you know the FEC Resources Shareholders group expects \$40 Million, not \$5 Million, for our 6.8% stake in Forum Energy.

Of course, this is all quite bizarre given that you are the CEO of FEC Resources.

Thank you.
Matt

Matt O'Malley | Managing Member
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Wallace Negotiates on Behalf of
PXP.pdf
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Mon, Nov 12, 2018 at 7:22 PM